

Fiscal Impact, PCS to S.B. 322

FY 2021-22 FY 2022-23 FY 2023-24 FY 2024-25 FY 2025-26

PERSONAL INCOME TAX						
• Permanently reduce threshold for medical expenses from 10% to 7.5% AGI		(22.5)	(23.3)	(24.3)	(25.2)	(26.2)
• Create SALT cap workaround for pass-through entities (eff 1/1/21)		0.0	0.0	0.0	0.0	0.0
• Create a separate Net Operating Loss (NOL) deduction calculation (effective 1/1/21)				No estimate available.		
Subtotal: Personal Income Tax (preliminary estimate)		(22.5)	(23.3)	(24.3)	(25.2)	(26.2)
SALES AND USE TAX						
• Expand the qualifying farmer sales tax exemption for baby chicks to include all fowl.				No estimate available; assumed to be negligible.		
• Expand the sales tax base to tax peer-to-peer (P2P) car rentals		0.4	0.5	0.5	0.6	0.6
Subtotal: Sales and Use Taxes		0.4	0.5	0.5	0.6	0.6
HIGHWAY USE TAX						
• General Fund impact of crediting vehicle subscription tax, short-term car rental tax, and peer-to-peer car rental tax to Highway Fund		(69.4)	(71.6)	(71.6)	(71.7)	(71.7)
OTHER TAX PROVISIONS						
• Extend time to complete eligible Mill Rehabilitation projects by two years		5.8	0.0	(5.8)	(30.0)	(30.0)
• Modify Excise Tax on Premium Cigars (Effective 1/1/22)		25.7	52.0	52.7	53.4	54.1
• Limit Gross Premiums Tax on surety of bail bonds to the amounts received by an insurer from a surety bondsman (Effective 1/1/22)		(0.7)	(1.0)	(1.0)	(1.0)	(1.0)
• Replace flat 10% late tax penalty with graduated penalties.				No estimate available.		
Subtotal: Other Tax Provisions		30.8	51.0	45.9	22.4	23.1
Total General Fund Tax Changes		(60.7)	(43.4)	(49.5)	(73.9)	(74.3)
HIGHWAY FUND						
• Highway Fund impact of crediting vehicle subscription tax, short-term car rental tax, and peer-to-peer car rental tax to Highway Fund		69.4	71.6	71.6	71.7	71.7
Total Highway Fund Tax Change		69.4	71.6	71.6	71.7	71.7