

Fiscal Impact: H97, 7th Edition

	State (\$ in millions)					Local (\$ in millions)				
Personal Income Tax (Effective 2016 Tax Year)	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Reduce Tax Rate - 5.5% in 2016										
Raise Standard Deduction to \$17,500 MFJ / \$8,750 Single / \$14,000 HOH; and increase Standard Deduction annually:										
2017 - \$17,750 MFJ, \$8,875 Single, \$14,200 HOH										
2018 - \$18,000 MFJ, \$9,000 Single, \$14,400 HOH										
2019 - \$18,250 MFJ, \$9,125 Single, \$14,600 HOH										
2020 - \$18,500 MFJ, \$9,250 Single, \$14,800 HOH										
Allow all itemized deductions on IRS Schedule A, capped at \$20,000										
Subtotal Personal Income Tax Changes	(287.5)	(615.0)	(669.4)	(738.8)	(809.8)	No local impact				
Corporate Income Tax										
Repeal rate triggers, rate at 4% for 2016, 3% for 2017 and after (fiscal impact included in May 2015 consensus forecast)	-	-	-	-	-					
Singles Sales Factor Apportionment: 3-Year phase-in beginning 1/1/16	(7.5)	(19.0)	(42.8)	(69.9)	(73.0)					
Repeal caps/credits on expense attribution to nontaxed income for banks and public utilities	12.0	21.0	22.0	23.0	24.0					
Subtotal Corporate Income Tax Changes	4.5	2.0	(20.8)	(46.9)	(49.0)	No local impact				
Franchise Tax										
Reduce tax rate to \$1.00/\$1,000. Increase minimum tax and simplify	-	(179.0)	(184.6)	(189.3)	(195.2)					
Machinery Tax*										
Increase 1%/\$80 to 4.75%/\$500 (10/1/15)	100.0	140.0	144.2	148.5	153.0					
State Privilege License Tax										
Repeal tax on Banks (effective 01/01/2016)	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)					
Sales Tax*										
Phase down non-profit sales tax refund over five years , exempt taxable purchase amounts (current limit \$666,666,667):	-	40.0	80.0	120.0	160.0	-	16.8	33.7	50.5	67.4
\$150,000,000 in FY17										
\$120,000,000 in FY18										
\$90,000,000 in FY19										
\$60,000,000 in FY20										
\$15,000,000 in FY21										
Expand sales tax base (effective 10/1/2015):										
Installation, repair, & maintenance of tangible personal property	90.9	152.2	159.0	166.2	173.7	38.3	64.1	67.0	70.0	73.1
Veterinary services	24.0	40.2	42.0	43.9	45.8	10.1	16.9	17.7	18.5	19.3
Pet care services (other than veterinary services)	3.2	5.3	5.6	5.8	6.1	1.3	2.2	2.3	2.5	2.6
Advertising		No Estimate Available					No Estimate Available			
Increase boat rate to 4.75%/\$1500 aircraft to 4.75%/\$5000 (10/1/15)	4.2	5.2	5.4	5.5	5.7					
Subtotal Sales	122.3	242.9	292.0	341.4	391.2	49.7	100.1	120.6	141.5	162.4
Total Tax Reform Changes	(72.7)	(421.1)	(450.6)	(497.1)	(521.8)	49.7	100.1	120.6	141.5	162.4

* Machinery and Sales Tax effective dates assume enactment of changes by July 1, 2015