

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 275** HLS 21RS 487

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 6, 2021	10:36 AM	Author: RISER
Dept./Agy.: Revenue		Analyst: Greg Albrecht
Subject: Income Tax		

TAX/INCOME TAX OR SEE FISC NOTE GF RV See Note Page 1 of 1
(Constitutional Amendment) Eliminates the mandate for the corporation income tax deduction for federal income taxes paid

Present constitution requires a deduction of federal income taxes paid when computing state income taxes (applicable to both individual and corporate income tax).

Proposed amendment specifies the requirement for a federal income taxes paid deduction for individual income tax (removing the requirement for corporate income tax). Effective for all tax years beginning on and after January 1, 2023.

To be submitted to the electors at the statewide election to be held on November 8, 2022.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	SEE BELOW	SEE BELOW	SEE BELOW	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0				\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure alone. The deduction for federal taxes paid is currently provided in statute, for both individual and corporate income tax, consistent with current constitutional provisions. This constitutional amendment does not change those statutory provisions, and does not prohibit a federal tax deduction for corporate income tax. Specific statutory changes would be required to change those provisions. This amendment does not itself provide them.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Christopher A. Keaton
Legislative Fiscal Officer