

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 274** HLS 21RS 793

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 20, 2021	11:20 AM	Author: BISHOP, S.
Dept./Agy.: Revenue		Analyst: Greg Albrecht
Subject: Income Tax		

TAX/INCOME TAX Page 1 of 1
 (Constitutional Amendment) Provides for the rates and brackets for purposes of calculating income taxes and limits the mandatory deduction for federal income taxes paid to corporate income taxes

Present constitution requires a deduction of federal income taxes when computing state income taxes, and prohibits the rates and brackets from exceeding those in effect on January 1, 2003.

Proposed amendment specifies the requirement for a federal income taxes paid deduction for corporate income tax, thus removing the requirement for such a deduction for individual income tax. Also provides that rates and brackets shall be provided for in law. 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	SEE BELOW	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

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 and the rate and bracket structure of the income tax are currently provided in statute, consistent with constitutional provisions. This constitutional amendment does not change those statutory provisions, and does not prohibit a federal tax deduction for individual income tax. This amendment would allow statutory changes to those provisions, but does not itself change them.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Christopher A. Keaton
Legislative Fiscal Officer