



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 17** HLS 243ES 30
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: November 12, 2024 11:42 AM **Author:** RISER
Dept./Agy.: Revenue **Analyst:** Benjamin Vincent
Subject: Earned Income Tax Credit: Immediate Repeal

TAX CREDITS OR +\$67,000,000 RV See Note Page 1 of 1
 Accelerates termination of the higher amount of the earned income tax credit (Item #5)

Current law provides a refundable credit against Individual Income tax equal to 5% of the federal Earned Income Tax Credit (EITC) for which the taxpayer is eligible. Current law provides that for tax years beginning after December 31, 2030, the state credit will equal 3.5% of the federal credit.

Proposed law disallows the credit for tax years beginning after December 31, 2024.

Applicable to taxable periods beginning on or after January 1, 2025. Effective upon governor's signature.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$66,300,000	\$66,300,000	\$66,300,000	\$66,300,000	\$265,200,000
Agy. Self-Gen.	\$0	\$700,000	\$700,000	\$700,000	\$700,000	\$2,800,000
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$67,000,000	\$67,000,000	\$67,000,000	\$67,000,000	\$268,000,000

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

Tax Exemption Budget data show that approximately \$67.0 million have been claimed in typical recent years. Proposed law would fully and immediately end the credit, increasing revenues in FY26 and subsequent years by \$67.0 million.

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}

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