

NOTICE OF MEETING

TO: Tax Review Commission
FROM: Mr. O. William Asplund
DATE: May 30, 2000
SUBJECT: June 9, 2000 Meeting

Chair Cornia has scheduled the next meeting of the Tax Review Commission as follows:

DATE: **Friday, June 9, 2000**
TIME: **1:00 p.m.**
PLACE: **Room 405 State Capitol**

An agenda is included. If you are unable to attend, please call me at 538-1032.

COMMISSION MEMBERS

Mr. Gary Cornia, Chair
Mr. James B. Lee, Vice-chair

Mr. Mark K. Buchi
Rep. Judy Ann Buffmire
Ms. Anne Clark
Rep. Greg J. Curtis

Mr. Robert M. Graham
Sen. Lyle W. Hillyard
Commissioner Bruce Johnson
Judge Jon Memmott

Ms. Bonnie G. Miller
Ms. Dorothy P. Owen
Sen. Millie M. Peterson
Mr. Keith Prescott

AGENDA
TAX REVIEW COMMISSION
Friday, June 9, 2000 - 1:00 p.m. - Room 405 State Capitol

1. Call to Order and Approval of May 12, 2000 Minutes

2. Tax Simplification - Sales and Use Tax

A comparison of 1999 General Session S.B. 178 and the NCSL model statute

3. Tax Burden Report to the Tax Review Commission (TRC) - Discussion of Options Contained in the "Ad Hoc Task Force on Tax Burden Report to Tax Review Commission" (Report) dated November 16, 1999

Individual Income Tax Policy Options - General - (see page 8 of the Report)

- a) rebracket individual income tax to account for inflation since 1973
- b) rebracket individual income tax and increase rates to achieve revenue neutrality
- c) phase-in over a specific time period a rebracketing of the individual income tax
- d) index current individual income tax brackets to account for future inflation
- e) impose the state individual income tax as a percentage of the federal individual income tax

Individual Income Tax Policy Options - Targeted - (see page 9 of the Report)

- f) establish a state earned income tax credit
- g) provide a refundable income tax credit to heads of households of poor families
- h) establish a "no-tax floor"
- i) increase state individual income tax personal exemptions from 75% to 100% of the federal personal exemptions for taxpayers at or below a certain income level
- j) eliminate the deductibility of federal individual income taxes in computing state individual income taxes

Sales and Use Tax Policy Options - (see page 8 of the Report)

- k) expand the sales and use tax base (e.g. extending tax to services, eliminating exemptions), while decreasing the sales and use tax rate
- l) exempt food purchases from sales and use taxes and increase the state sales and use tax rate, local sales and use tax rates, or both, to achieve revenue neutrality
- m) phase-in over a specified time period a sales and use tax exemption for food purchases

Other Policy Options - (see page 9 of the Report)

- n) limit the amount of fair market value for which a property tax residential exemption is allowed
- o) target future tax relief toward sales and use taxes or income taxes rather than property taxes
- p) resist narrowing the sales and use tax and individual income tax bases

4. Other Business

5. Adjournment

