

Revenue and Taxation Interim Committee
Fiscal Impacts of Components of Draft Legislation “Tax Reform”

Disclaimer: A formal fiscal note has not yet been prepared for the committee’s Tax Reform bill. The fiscal impacts shown below rely on: (1) fiscal information provided by the Office of the Legislative Fiscal Analyst (LFA) and (2) determinations made by committee chairs and staff regarding whether a particular component of the bill would have a negative or positive fiscal note. The information in this document is for discussion purposes only. Estimates provided may change based on information that becomes available between now and the legislative session.

1a - Minimum Basic Tax Rate freeze at .001600
Impacted fund: Minimum School Program (local); Education Fund amount decreases as local amount grows
Bill lines: 993-1077

	FY 2019	FY 2020	FY 2021	FY 2022
Local	\$38.1M*	At least \$38.1M	At least \$38.1M	At least \$38.1M
State	\$11.9M	\$11.9M	\$11.9M	\$11.9M

1b - Uniform .0025 cap for School Board Local Levy
Impacted fund: school property tax; impact depends on whether districts raise property tax rates
Bill lines: 1253-1267

	FY 2019	FY 2020	FY 2021	FY 2022
Local	???	???	???	???

2 - Truth-in-taxation newspaper ad changes
Impacted fund: local
Bill lines: 1719-1728; 1896-1907; 1992-1997

	FY 2019	FY 2020	FY 2021	FY 2022
Local	Minimal if any (-)	Minimal if any (-)	Minimal if any (-)	Minimal if any (-)

3 - Corporate franchise and income tax obligation (nexus)
Impacted fund: Education
Bill lines: 2224-2243; 2388-2392

	FY 2019	FY 2020	FY 2021	FY 2022
State	???	???	???	???

4 - Elimination of net operating loss (NOL) carry back
Impacted fund: Education
Bill lines: 2397-2498

	FY 2019	FY 2020	FY 2021	FY 2022
State	???	???	???	???

5 - Corporate apportionment and single sales factor
Impacted fund: Education
Bill lines: 2491-2616; 2625-2686; 2712-2719; 2738-2749

	FY 2019	FY 2020	FY 2021	FY 2022
State	-	-\$6.7M*	-\$12.6M*	-\$21.4M*

6 - Accountability for income tax credits
Impacted fund: Education
Bill lines: 3051-3126; 3161-3164; 3236-3316; 3652-3656; 6923-7021

	FY 2019	FY 2020	FY 2021	FY 2022
State	???	???	???	???

7 - Expansion of the manufacturing sales tax exemption
Impacted fund: General
Bill lines: 5919-5960; 6640-6665

	FY 2019	FY 2020	FY 2021	FY 2022
State	-	-\$20.5M*	-\$42.2M*	-\$65.8M*
Local	-	-\$7.0M	-\$14.4M	-\$22.4M

8 - Sales taxation of streamed media and amusement devices
Impacted fund: General
Bill lines: 5378-5388; 6126-6140

	FY 2019	FY 2020	FY 2021	FY 2022
State	???	???	???	???
Local	???	???	???	???

9a - Registration fees and road usage charge program for electric vehicles
Impacted fund: Transportation (note: 2,485 electric vehicles registered as of January 1, 2017)
Bill lines: 545-555; 571-581; 6594-6596; 7023-7126

	FY 2019	FY 2020	FY 2021	FY 2022
State	-	???	???	???

9b - Income tax credit for purchase of electric vehicles
Impacted fund: Education (first \$125,000); General (anything above \$125,000)
Bill lines: 2774-3048; 3319-3615

	FY 2019	FY 2020	FY 2021	FY 2022
State	-	???	???	???

10 - Property taxation of business personal property
Impacted fund: local governments; property tax rates would automatically adjust to offset the loss in assessed value; property tax burden would shift amongst taxpayers
Bill lines: 2122-2125

	FY 2019	FY 2020	FY 2021	FY 2022
Local	-	-	-	-

* Estimate provided by LFA.