

TAX RESTRUCTURING OPTIONS

Tax Restructuring and Equalization Task Force

November 25, 2019

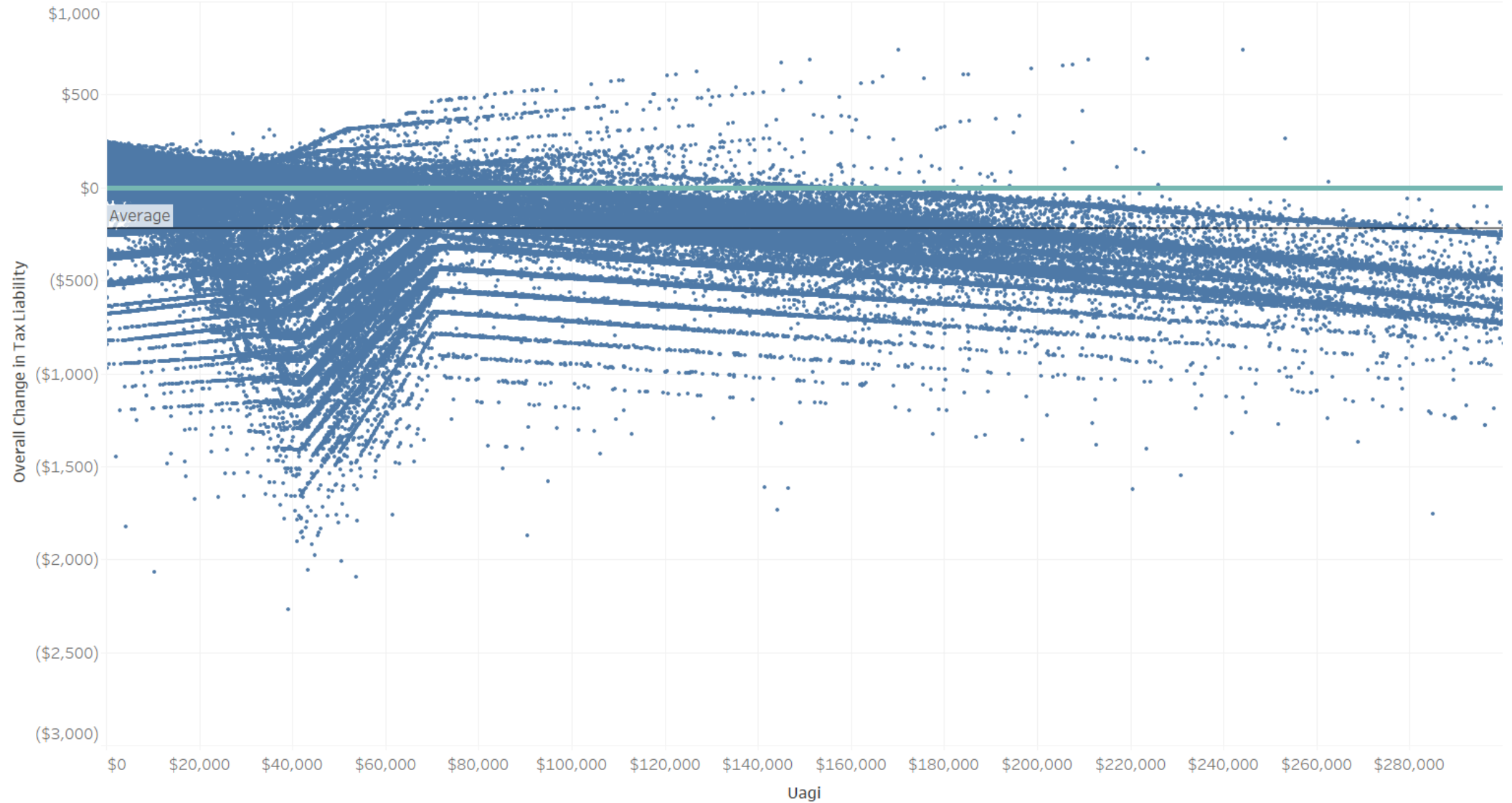


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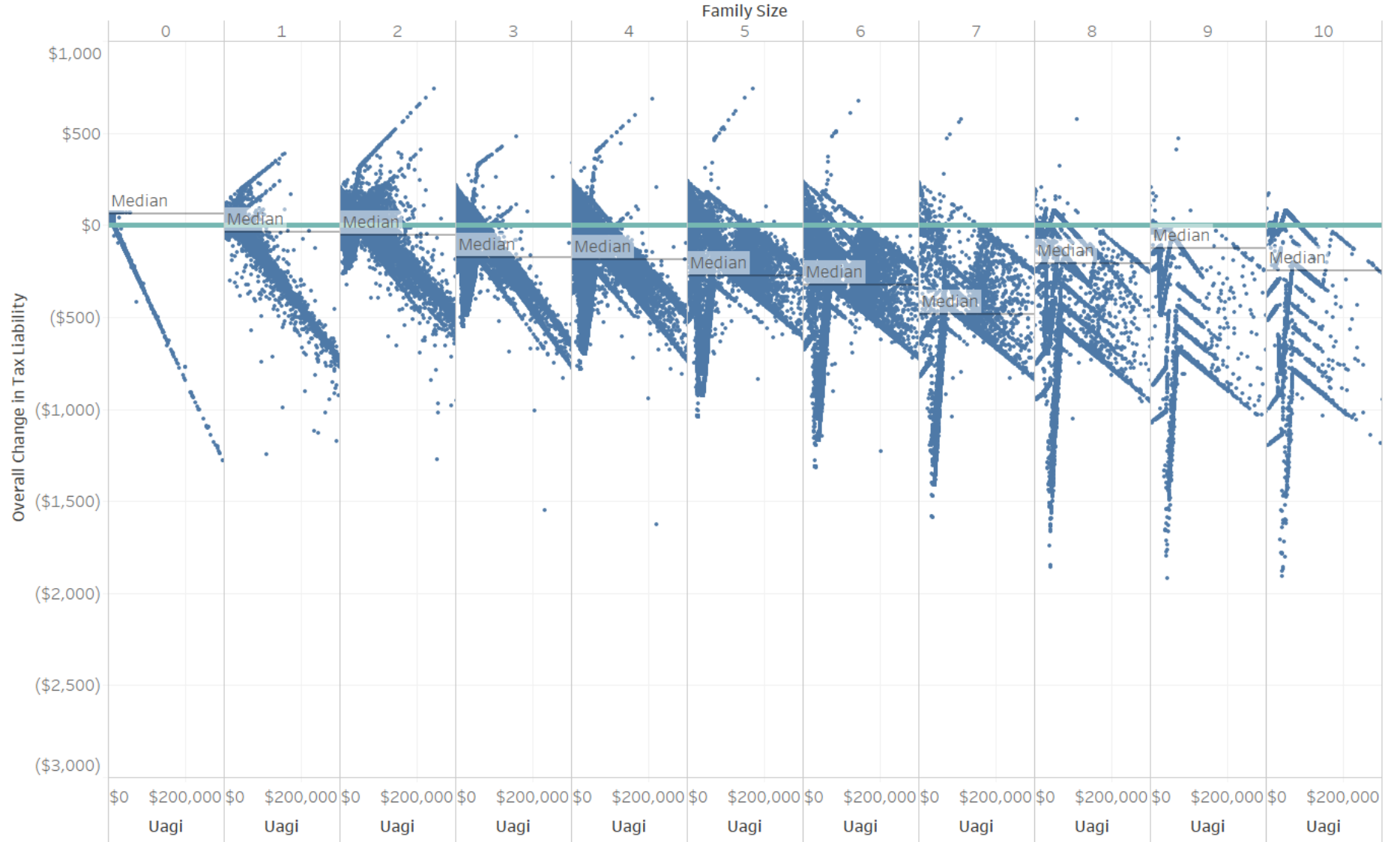
PREVIOUS DRAFT BILL

Overall Change in Tax Liability, All Filers



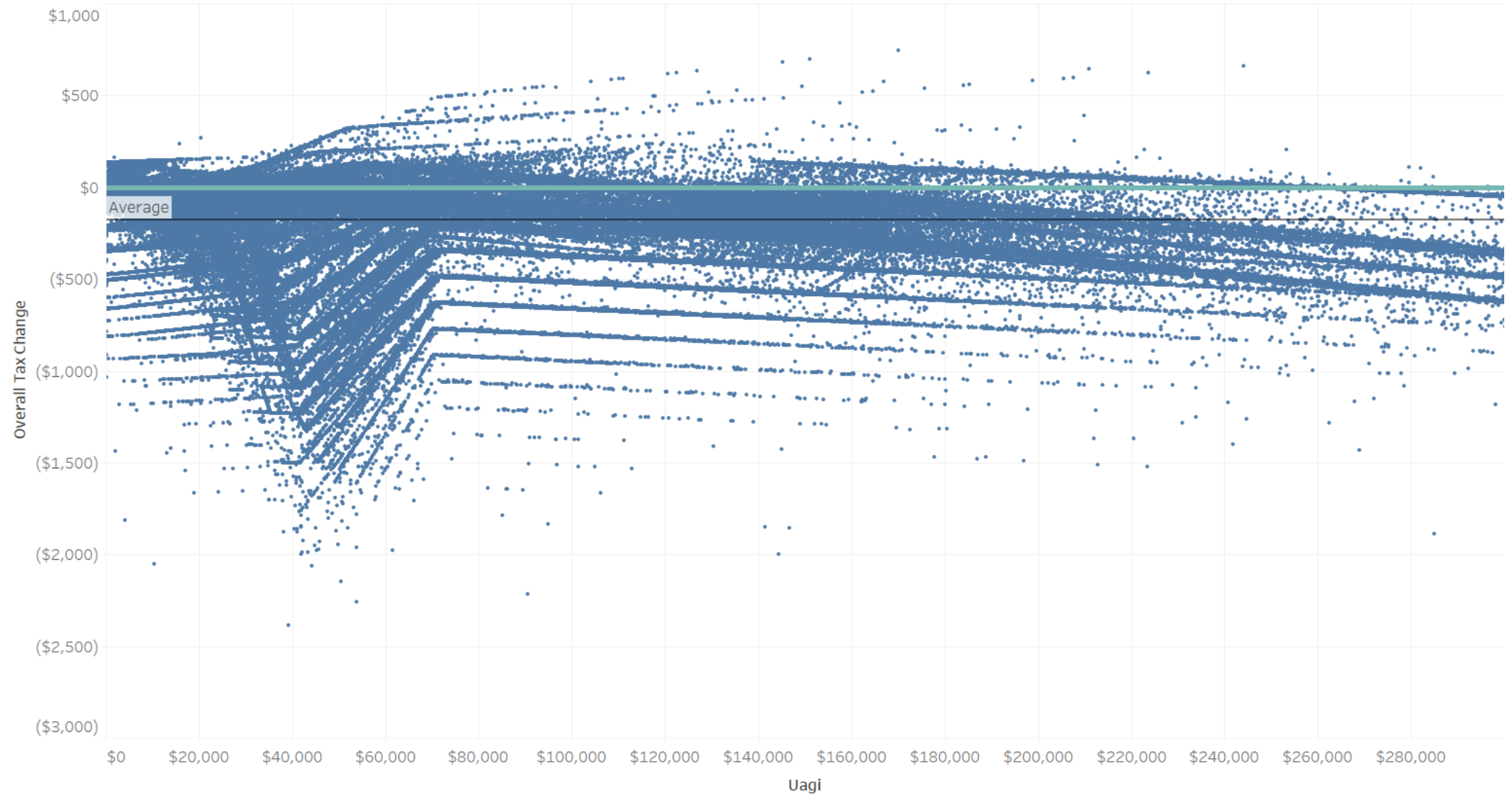
PREVIOUS DRAFT BILL

Overall Change in Tax Liability, All Filers by Family Size



CURRENT BILL

Overall Change in Tax Liability, All Filers

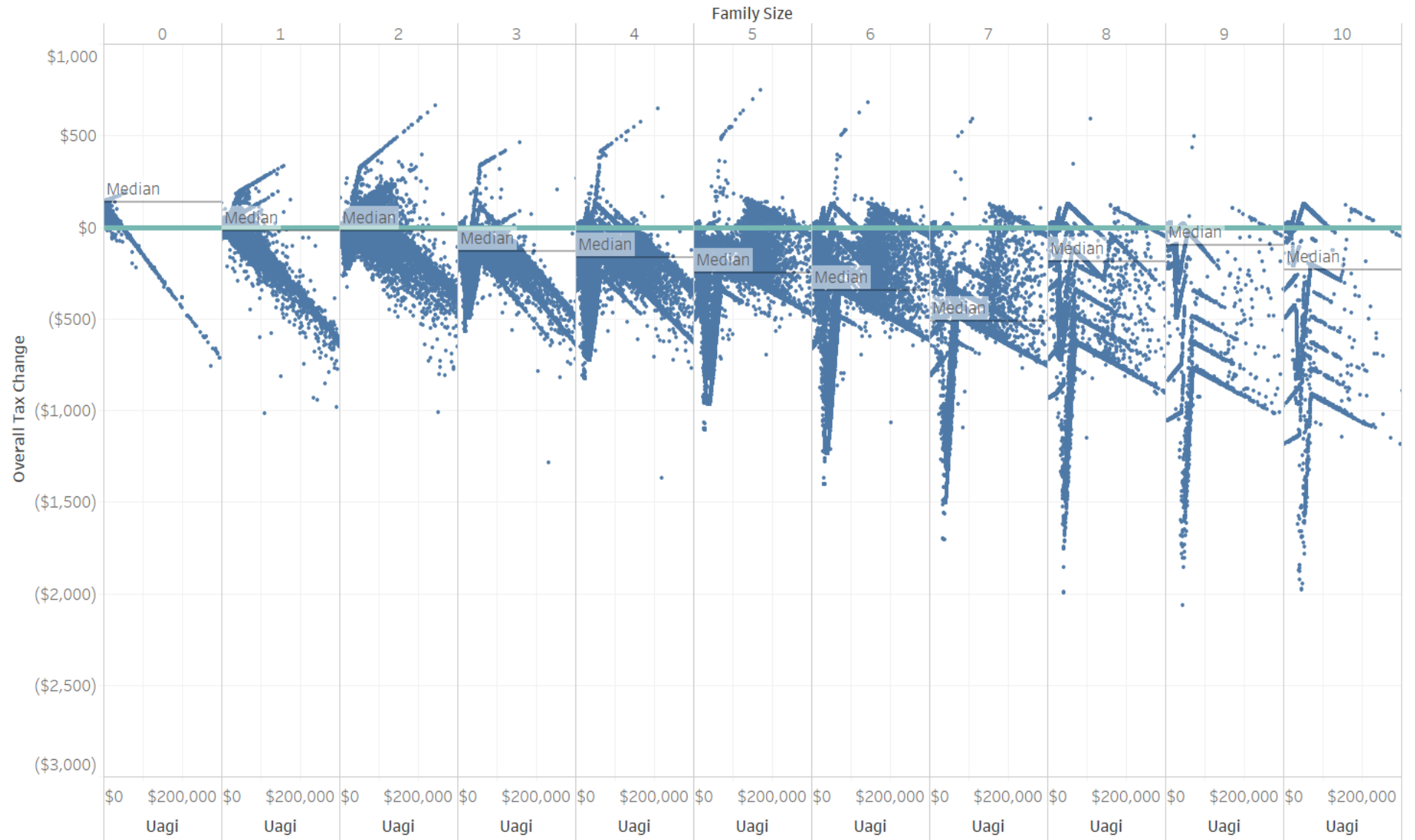


CURRENT BILL

	Current Bill Draft
% See Tax Decrease	73%
% See Tax Increase	27%
Net Tax Cut	\$80M
Dependent/Individual Exemption	<ul style="list-style-type: none"> o \$2,500 with no change to phase-out
Grocery Credit	<ul style="list-style-type: none"> o \$125 per exemption o .000035 phase-out rate for households above 138% FPL
Income Tax Rate	4.64%

Exemptions on Return	All Filers		Residents	
	% See Tax Decrease	% See Tax Increase	% See Tax Decrease	% See Tax Increase
0	1%	99%	1%	99%
1	66%	34%	49%	51%
2	48%	52%	83%	17%
3	100%	0%	93%	7%
4	99%	1%	92%	8%
5	95%	5%	90%	10%
6	97%	3%	91%	9%
7	98%	2%	93%	7%
8	99%	1%	95%	5%
9	99%	1%	96%	4%
10	100%	0%	97%	3%
Total	67%	33%	67%	33%
Total Excluding 0 exemption filers	72%	28%	73%	27%

CURRENT BILL

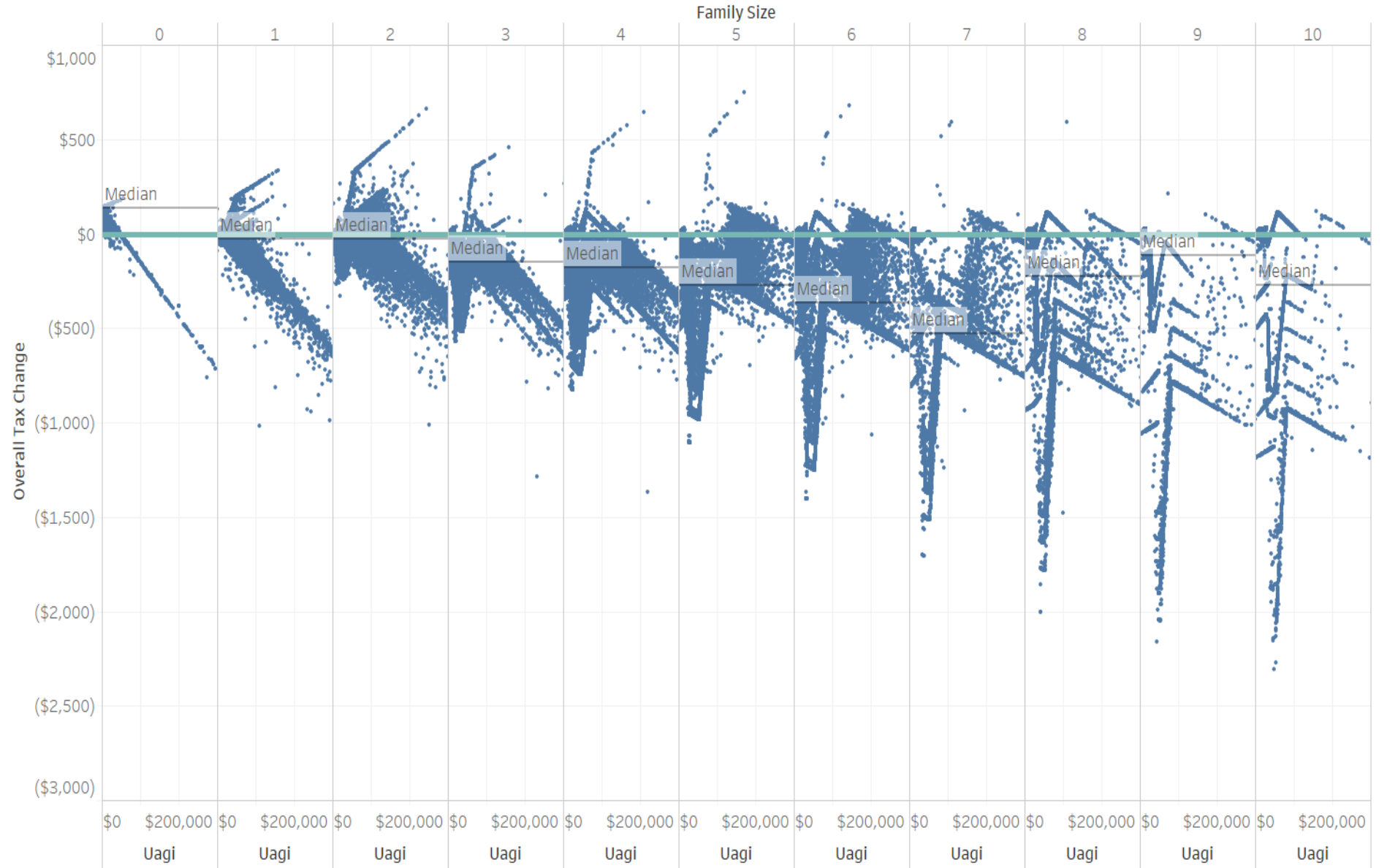


OPTION 1

	Option 1
% See Tax Decrease	85%
% See Tax Increase	15%
Net Tax Cut	\$110M
Dependent/Individual Exemption	<ul style="list-style-type: none"> o \$2,500 with no change to phase-out o Joint filers with no dependents get 1 exemption
Grocery Credit	<ul style="list-style-type: none"> o \$125 per exemption o .000035 phase-out rate for households above 175% FPL
Income Tax Rate	4.66%

Exemptions on Return	All Filers		Residents	
	% See Tax Decrease	% See Tax Increase	% See Tax Decrease	% See Tax Increase
0	6%	94%	1%	99%
1	71%	29%	69%	31%
2	91%	9%	90%	10%
3	100%	0%	100%	0%
4	99%	1%	99%	1%
5	94%	6%	94%	6%
6	95%	5%	95%	5%
7	97%	3%	97%	3%
8	98%	2%	98%	2%
9	99%	1%	99%	1%
10	99%	1%	99%	1%
Total	80%	20%	78%	22%
Total Excluding 0 exemption filers	86%	14%	85%	15%

OPTION 1

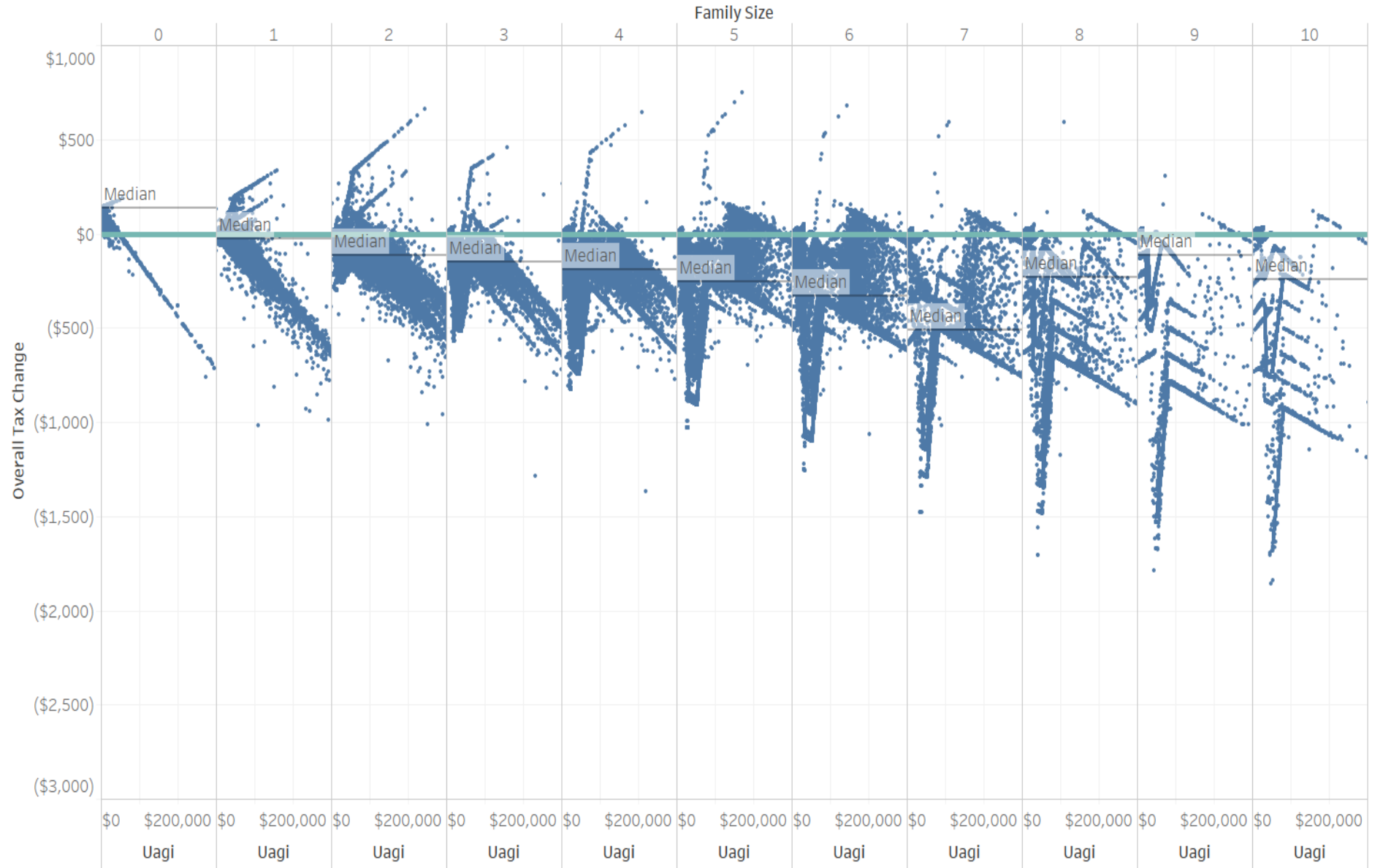


OPTION 2

	Option 2
% See Tax Decrease	88%
% See Tax Increase	12%
Net Tax Cut	\$124M
Dependent/Individual Exemption	<ul style="list-style-type: none"> o \$2,500 with no change to phase-out o Joint filers with no dependents get 1 exemption
Grocery Credit	<ul style="list-style-type: none"> o \$125 per exemption up to 4 o \$50 thereafter o .000035 phase-out rate for households above 175% FPL
Income Tax Rate	4.64%

Exemptions on Return	All Filers		Residents	
	% See Tax Decrease	% See Tax Increase	% See Tax Decrease	% See Tax Increase
0	7%	93%	1%	99%
1	79%	21%	78%	22%
2	91%	9%	91%	9%
3	100%	0%	100%	0%
4	100%	0%	100%	0%
5	96%	4%	95%	5%
6	97%	3%	97%	3%
7	98%	2%	98%	2%
8	99%	1%	99%	1%
9	99%	1%	99%	1%
10	100%	0%	100%	0%
Total	83%	17%	82%	18%
Total Excluding 0 exemption filers	89%	11%	88%	12%

OPTION 2

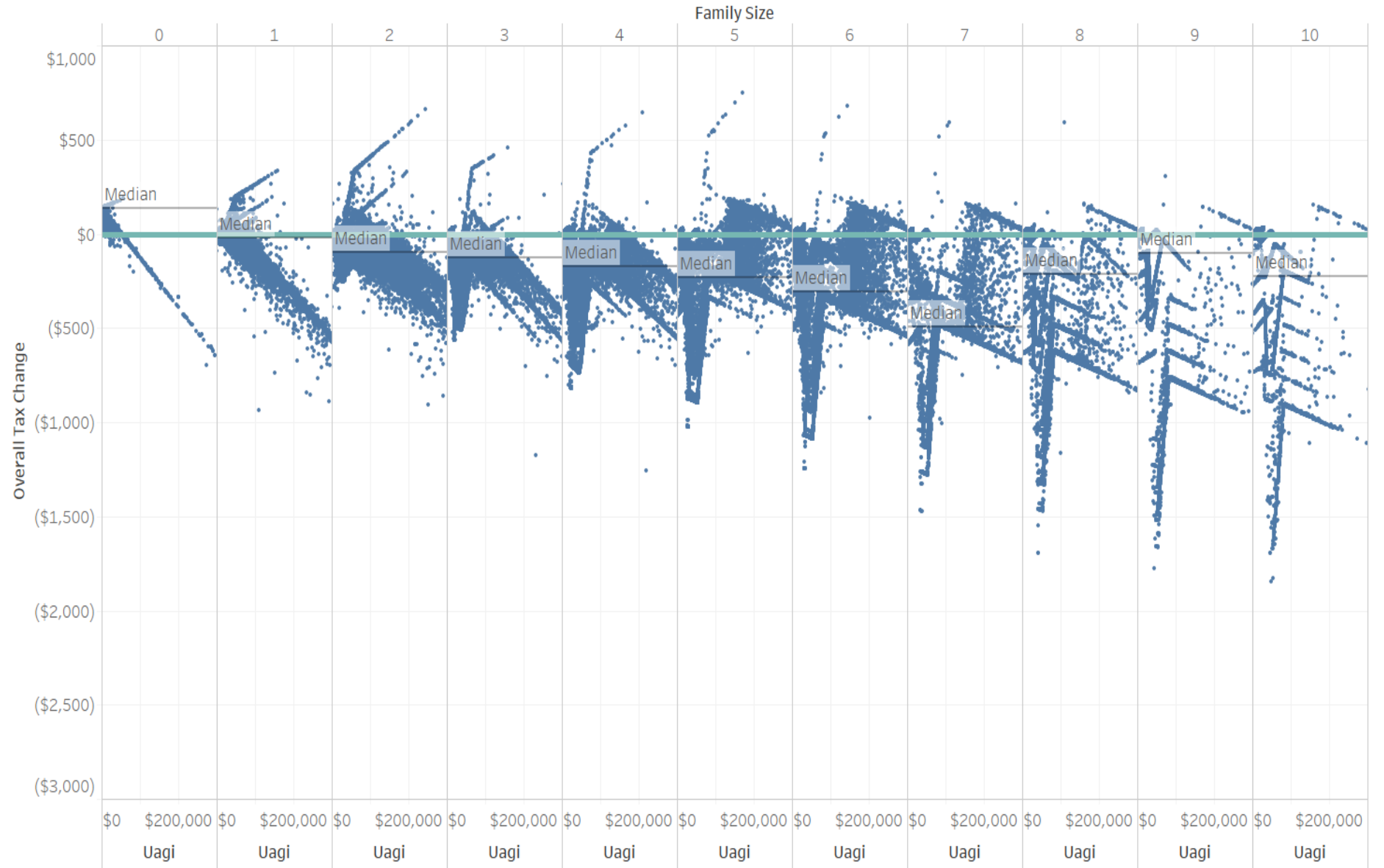


OPTION 3

	Option 3
% See Tax Decrease	84%
% See Tax Increase	16%
Net Tax Cut	\$102M
Dependent/Individual Exemption	<ul style="list-style-type: none"> o \$2,500 with no change to phase-out o Joint filers with no dependents get 1 exemption
Grocery Credit	<ul style="list-style-type: none"> o \$125 per exemption up to 4 o \$50 thereafter o .000035 phase-out rate for households above 175% FPL
Income Tax Rate	4.66%

Exemptions on Return	All Filers		Residents	
	% See Tax Decrease	% See Tax Increase	% See Tax Decrease	% See Tax Increase
0	4%	96%	1%	99%
1	69%	31%	69%	31%
2	90%	10%	90%	10%
3	100%	0%	100%	0%
4	99%	1%	99%	1%
5	94%	6%	93%	7%
6	95%	5%	95%	5%
7	97%	3%	97%	3%
8	98%	2%	98%	2%
9	98%	2%	98%	2%
10	99%	1%	99%	1%
Total	78%	22%	78%	22%
Total Excluding 0 exemption filers	85%	15%	84%	16%

OPTION 3



TAX INCIDENCE SUMMARY

	Current Bill Draft	Option 1	Option 2	Option 3
% See Tax Decrease	73%	85%	88%	84%
% See Tax Increase	27%	15%	12%	16%
Net Tax Cut	\$80M	\$110M	\$124M	\$102M
Dependent/Individual Exemption	<ul style="list-style-type: none"> o \$2,500 with no change to phase-out 	<ul style="list-style-type: none"> o \$2,500 with no change to phase-out o Joint filers with no dependents get 1 exemption 	<ul style="list-style-type: none"> o \$2,500 with no change to phase-out o Joint filers with no dependents get 1 exemption 	<ul style="list-style-type: none"> o \$2,500 with no change to phase-out o Joint filers with no dependents get 1 exemption
Grocery Credit	<ul style="list-style-type: none"> o \$125 per exemption o .000035 phase-out rate for households above 138% FPL 	<ul style="list-style-type: none"> o \$125 per exemption o .000035 phase-out rate for households above 175% FPL 	<ul style="list-style-type: none"> o \$125 per exemption up to 4 o \$50 thereafter o .000035 phase-out rate for households above 175% FPL 	<ul style="list-style-type: none"> o \$125 per exemption up to 4 o \$50 thereafter o .000035 phase-out rate for households above 175% FPL
Income Tax Rate	4.64%	4.66%	4.64%	4.66%



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