

Representative James A. Dunnigan proposes the following substitute bill:

TAX REVISIONS

2006 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Curtis S. Bramble

House Sponsor: _____

LONG TITLE

General Description:

This bill amends the Individual Income Tax Act to reduce tax rates.

Highlighted Provisions:

This bill:

- ▶ reduces the 7% individual income tax rate to 6.77%; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect for taxable years beginning on or after January 1, 2007.

Utah Code Sections Affected:

AMENDS:

59-10-104, as last amended by Chapters 323 and 324, Laws of Utah 2001

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-10-104** is amended to read:

59-10-104. Tax basis -- Rates -- Exemption.

(1) Except as provided in Subsection (4), for taxable years beginning on or after



26 January 1, [~~2001~~] 2007, a tax is imposed on the state taxable income, as defined in Section
 27 59-10-112, of every resident individual as provided in this section.

28 (2) For an individual, other than a husband and wife or head of household required to
 29 use the tax table under Subsection (3), the tax under this section is imposed in accordance with
 30 the following table:

31 If the state taxable income is:	The tax is:
32 Less than or equal to \$863	2.3% of the state taxable income
33 Greater than \$863 but less than or equal 34 to \$1,726	\$20, plus 3.3% of state taxable income greater than \$863
35 Greater than \$1,726 but less than or equal 36 to \$2,588	\$48, plus 4.2% of state taxable income greater than \$1,726
37 Greater than \$2,588 but less than or equal 38 to \$3,450	\$85, plus 5.2% of state taxable income greater than \$2,588
39 Greater than \$3,450 but less than or equal 40 to \$4,313	\$129, plus 6% of state taxable income greater than \$3,450
41 Greater than \$4,313	\$181, plus [7%] <u>6.77%</u> of state taxable income greater than \$4,313

43 (3) For a husband and wife filing a single return jointly, or a head of household as
 44 defined in Section 2(b), Internal Revenue Code, filing a single return, the tax under this section
 45 is imposed in accordance with the following table:

46 If the state taxable income is:	The tax is:
47 Less than or equal to \$1,726	2.3% of the state taxable income
48 Greater than \$1,726 but less than or equal 49 to \$3,450	\$40, plus 3.3% of state taxable income greater than \$1,726
50 Greater than \$3,450 but less than or equal 51 to \$5,176	\$97, plus 4.2% of state taxable income greater than \$3,450
52 Greater than \$5,176 but less than or equal 53 to \$6,900	\$169, plus 5.2% of state taxable income greater than \$5,176
54 Greater than \$6,900 but less than or equal 55 to \$8,626	\$259, plus 6% of state taxable income greater than \$6,900
56 Greater than \$8,626	\$362, plus [7%] <u>6.77%</u> of state taxable

57 income greater than \$8,626
58 (4) This section does not apply to a resident individual exempt from taxation under
59 Section 59-10-104.1.
60 Section 2. **Effective date.**
61 This bill takes effect for taxable years beginning on or after January 1, 2007.