
DIGEST

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Stelly

HB No. 31

Abstract: Provides for a new limitation on individual income tax brackets effective Jan. 1, 2003, provides that the state sales and use tax rate on food for home consumption, consumer purchases of certain utilities and prescription drugs shall be 2% for the period Jan. 1, 2003 through June 30, 2003, and prohibits the imposition of state sales and use taxes on such items effective July 1, 2003. Individual income tax rates remain as in present law.

Present constitution provides that the state individual and joint income tax schedule of rates shall never exceed the rates in effect on Jan. 1, 1974.

Proposed constitutional amendment deletes this limitation and provides that state individual and joint income tax schedule of rates and brackets shall never exceed the rates and brackets in effect on Jan. 1, 2003.

Proposed constitutional amendment provides that the state sales and use tax rate on food for home consumption, consumer purchases of certain utilities, and prescription drugs shall be 2% for the period Jan. 1, 2003 through June 30, 2003.

Proposed constitutional amendment provides that effective July 1, 2003, food for home consumption and consumer purchases of natural gas, electricity, water, and prescription drugs shall be exempt from the state sales and use tax.

Provides for submission of the proposed amendment to the voters at the statewide election to be held on Nov. 5, 2002.

Effective January 1, 2003.

(Amends Const. Art. VII, §4(A); Adds Const. Art. VII, §2.2)

Summary of Amendments Adopted by House

Committee Amendments Proposed by Ways and Means to the original bill.

1. Provides for a 2% sales tax rate on certain items from 1/1/2003 through 6/30/2003.