



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: **SB 336** SLS 09RS 852
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 20, 2009 7:38 PM	Author: JACKSON, L.
Dept./Agy.: Revenue	Analyst: Greg Albrecht
Subject: Personal Income Tax Rates and Brackets	

TAX/INCOME/PERSONAL OR +\$239,000,000 GF RV See Note Page 1 of 1
 Revises the rates and brackets for personal income tax.

Current law, applicable for tax year 2009 and beyond, for single filers, imposes a 2% tax on the first \$12,500 of taxable income, but applies the 4% tax to the next \$37,500, and the 6% tax to income in excess of \$50,000. These proposed income thresholds are doubled for joint filers.

Proposed law, applicable for tax year 2009, for single filers, retains the 2% tax on the first \$12,500 of taxable income, but applies the 4% tax to the next \$12,000, and the 6% tax to income in excess of \$25,000. These proposed income thresholds are doubled for joint filers. Applicable for tax year 2009, for single filers, retains the 2% tax on the first \$12,500 of taxable income, but applies the 4% tax to the next \$37,500, and the 6% tax to income in excess of \$50,000. These proposed income thresholds are doubled for joint filers. In effect, the bill delays for one year the bracket expansion currently scheduled to be applicable for tax year 2009.

EXPENDITURES	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$239,000,000	\$0	\$0	\$0	\$0	\$239,000,000
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$239,000,000	\$0	\$0	\$0	\$0	\$239,000,000

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The bill delays the bracket expansion currently scheduled in current law for one tax year. The effect of the currently scheduled bracket expansion (a reduction in expected revenue collections) has already been incorporated into all years of the official revenue forecast. While this bill will interrupt the scheduled bracket expansion in roughly the middle of tax year 2009, the bill does not address the currently scheduled withholding table changes, consistent with current law, and scheduled to be implemented in July 2009. This fiscal note assumes that withholding tables will be adjusted as scheduled, and all of the effect of this bill will be realized in the spring of FY10 when returns are filed for the 2009 tax year. The one year (four quarter) change in tax liability, associated with calendar year 2009 and realized in FY10, is displayed in the table above and would be added back to the forecast in place for FY10. The withholding effects of the scheduled bracket expansion are assumed to occur as currently anticipated in the revenue forecasts. For tax year 2010 the bill will return the brackets to what is already anticipated to occur. Thus, no dollar change is made to FY11 through FY14 in the table above.

Senate

Dual Referral Rules

House

13.5.1 >= \$500,000 Annual Fiscal Cost

6.8(F) >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

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