

House/Senate AGREEMENT

	State \$ Millions					Local \$ Millions				
	FY1314	FY1415	FY1516	FY1617	FY1718	FY1314	FY1415	FY1516	FY1617	FY1718
Personal Income										
Flat Tax, 5.8% in 2014, 5.75% in 2015										
Increases Standard Deduction to \$15,000 (MFJ) -\$7,500 Single, \$12,000 HOH										
Allow greater of standard deduction or itemized deduction of mortgage interest, property taxes, capped at \$20,000 plus all charitable contributions allowed for Federal tax purposes										
Keeps current Child Credit of \$100										
Enhance Child Credit \$25 if AGI below \$40,000		(25.0)	(26.1)	(27.2)	(28.4)					
Eliminate personal exemptions										
Eliminate non-itemizers charitable contribution credit										
Eliminates private and non-Bailey government pension exemption										
Eliminates Real property donations credit										
Eliminates Severance Wage deduction										
Eliminates all other credits without sunsets										
Allows credits to sunset as scheduled, except where noted below										
Subtotal Personal Income Tax Changes	(227.0)	(825.5)	(931.8)	(971.9)	(1,013.7)					
Eliminate \$50k Business Exemption 2014	118.7	395.5	421.4	442.0	452.0					
Total Personal Income Tax Changes	(108.4)	(455.0)	(536.5)	(557.1)	(590.0)					
Corporate Income Tax										
Reduce corporate income tax rate from 6.9% to 6.0% in 2014 and 5.0% in 2015	(50.1)	(217.9)	(343.2)	(360.4)	(374.2)					
Total CIT Tax Changes	(50.1)	(217.9)	(343.2)	(360.4)	(374.2)					
Franchise Tax (07/01/2014)										
Repeal electricity franchise tax, puts sales into sales tax base		(157.0)	(159.0)	(160.6)	(162.2)		(187.0)	(189.0)	(190.9)	(192.8)
Piped Natural Gas (07/01/2014)										
Repeals the tax, taxes gross receipts at the state and local sales tax rate		(31.5)	(32.0)	(32.5)	(32.9)		(20.1)	(20.4)	(20.7)	(21.0)

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Sales Tax										
Effective 01/01/2014										
Repeal gross receipts tax on live entertainment and movies, puts in sales tax base, adds amusements for which an admission is charged	6.3	16.5	17.2	17.9	18.6	2.7	7.0	7.2	7.5	7.8
Repeal exemption for nutritional supplements sold by chiropractors	0.1	0.1	0.1	0.1	0.1	-	-	-	-	-
Repeal exemption for certain sales of newspapers	2.5	7.8	8.0	8.3	8.6	1.1	3.3	3.4	3.5	3.6
Repeal Food Sold in Dining Rooms Operated by Educational Institutions	14.2	34.0	35.0	36.1	37.1					
Expand sales tax to include service contracts	12.2	29.2	31.2	33.2	35.2	5.1	12.3	13.1	14.0	14.8
Manufactured Homes at the State rate	3.0	7.2	7.2	7.2	7.2					
Modular Homes at the State rate	1.3	3.0	3.0	3.0	3.0	(0.3)	(0.5)	(0.5)	(0.5)	(0.5)
Effective 07/01/2014										
Make electricity subject to combined general sales tax rate		417.1	427.7	440.5	453.8					
Make piped natural gas subject to combined general sales tax rate		102.3	103.9	105.4	107.0					
Distribution to municipalities for franchise tax and piped natural gas		(207.1)	(209.4)	(211.6)	(213.8)		207.1	209.4	211.6	213.8
Repeal Sales and use tax holiday		14.7	15.1	16.1	17.1		6.2	6.4	6.8	7.2
Repeal Energy Star sales tax holiday		1.6	1.7	1.8	1.8		0.7	0.7	0.7	0.8
State and Local cap on Non-Profit refunds, \$45M							-	-	-	-
Repeal exemption for certain bakery items		3.9	4.1	4.2	4.4		1.7	1.7	1.8	1.8
Add a gross receipts requirement for farmers of \$10,000 for the purpose of receiving tax exemptions and refunds		16.5	16.8	17.2	17.5	5.9	6.9	7.1	7.2	7.4
Total Sales Tax Changes	39.4	446.9	461.6	479.3	497.6	14.6	244.7	248.5	252.6	256.7
Extend certain refunds, exemptions, and credits until 01/01/2016										
R&D Credit		(38.0)	(39.6)							
Aviation fuel for motorsports team		(0.1)	(0.1)	(0.1)		-	(0.0)	(0.0)	(0.0)	-
Professional motorsports team		(0.2)	(0.3)	(0.2)		-	(0.1)	(0.1)	(0.1)	-
Passenger air carriers		(3.0)	(6.0)	(3.0)		-	(1.3)	(2.5)	(1.3)	-
Total Sunset Extensions		(41.25)	(46.00)	(3.25)	-		(1.37)	(2.69)	(1.37)	

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Projected Revenue										
<i>(Consensus revenue first two years, growth in the out years uses 20-year average inflation and population growth)</i>	20,465.6	21,387.8	22,307.5	23,266.7	24,267.2					
Total Tax Reform Changes	(119.0)	(455.8)	(655.1)	(634.5)	(661.8)	14.6	36.2	36.4	39.6	42.9
Repeal Estate Tax	(52.0)	(57.0)	(60.0)	(63.0)	(66.0)					
Total Tax Reform	(171.0)	(512.8)	(715.1)	(697.5)	(727.8)	14.6	36.2	36.4	39.6	42.9
School Capital Building Fund	84.4	75.0	70.5	74.0	78.0					
Net Changes	(86.6)	(437.8)	(644.6)	(623.5)	(649.8)	14.6	36.2	36.4	39.6	42.9
Revised Revenue from Tax Reform plus elimination of School Capital Building Fund	20,379.0	20,950.0	21,662.9	22,643.2	23,617.3					
		2.8%	3.4%	4.5%	4.3%					