

## Conference Committee Report for H97: Fiscal Impact of Finance Provisions

	State (\$ in millions)					Local (\$ in millions)				
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
<b>Personal Income Tax (Effective 2016 Tax Year)</b>										
- Reduce personal income tax rate to 5.499% in 2017										
- Raise Standard Deduction: From \$15,000 to \$15,500 MFJ in 2016										
- Allow unlimited medical deductions starting in 2015										
<b>Subtotal Personal Income Tax Changes</b>	<b>(117.3)</b>	<b>(437.1)</b>	<b>(719.8)</b>	<b>(755.8)</b>	<b>(793.6)</b>	No local impact				
<b>Corporate Income Tax</b>										
- Repeal sunset on rate trigger: rate drops to 3% when tax revenues reach \$20,975 million. Fiscal impact included in May 2015 consensus forecast.	-	-	-	-	-					
- Adjust bank holding company provision: reduce bank expense attribution level to 15%, repeal \$11 million cap; effective for 2016 tax year.	6.0	12.0	12.0	12.0	12.0					
- Phase in Singles Sales Factor Apportionment over 3 years beginning 1/1/16: Study Market-Based Sourcing in Revenue Laws Committee; Direct Dept. of Revenue to provide Revenue Laws with proposed rules	(7.9)	(23.3)	(42.8)	(69.9)	(73.3)					
- Repeal bank privilege tax July 1, 2016	-	(12.0)	(12.0)	(12.0)	(12.0)					
<b>Subtotal Corporate Income Tax Changes</b>	<b>(1.9)</b>	<b>(23.3)</b>	<b>(42.8)</b>	<b>(69.9)</b>	<b>(73.3)</b>	No local impact				
<b>Franchise Tax</b>										
- Increase minimum fee from \$35 to \$200; increase maximum tax on holding companies from \$75,000 to \$150,000	-	40.0	40.0	40.0	40.0					
- Simplify Franchise Tax calculation	-	(40.0)	(40.0)	(40.0)	(40.0)					
<b>Subtotal Franchise Tax Changes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	No local impact				
<b>Sales Tax*</b>										
- Expand sales tax base (effective 3/1/2016) to tax the installation, repair, & maintenance of tangible personal property on items currently subject to the Sales Tax, including installation of real property (to be listed)	44.5	159.5	166.7	174.2	182.0	18.7	67.2	70.2	73.3	76.6
<b>Subtotal Sales Tax Changes</b>	<b>44.5</b>	<b>159.5</b>	<b>166.7</b>	<b>174.2</b>	<b>182.0</b>	<b>18.7</b>	<b>67.2</b>	<b>70.2</b>	<b>73.3</b>	<b>76.6</b>
<b>Miscellaneous Changes</b>										
- Historic Preservation Tax Credit as in H152, effective 2016, sunset 2020	-	(8.0)	(8.0)	(8.0)	(8.0)					
<b>Subtotal Miscellaneous Changes</b>	<b>-</b>	<b>(8.0)</b>	<b>(8.0)</b>	<b>(8.0)</b>	<b>(8.0)</b>	No local impact				
<b>Total Tax Changes</b>	<b>(74.7)</b>	<b>(308.9)</b>	<b>(603.9)</b>	<b>(659.5)</b>	<b>(692.9)</b>	<b>18.7</b>	<b>67.2</b>	<b>70.2</b>	<b>73.3</b>	<b>76.6</b>
<b>Consensus Forecast GF Revenue</b>	<b>21,965.1</b>	<b>22,576.1</b>								
<b>Adjusted GF Revenue</b>	<b>21,890.4</b>	<b>22,267.2</b>								

\* Sec. 32.19.(e) also requires the State to allocate \$17.6 million annually from State Sales Tax collections.