

HB 1758 -- INCOME TAX RATE CUTS

SPONSOR: Pogue

Currently, beginning with the 2017 tax year, the maximum tax rate on personal income will be reduced by .1% once a year if the amount of net general revenue collected in the previous fiscal year exceeds the highest amount of revenue collected in any of the three fiscal years prior to the fiscal year by at least \$150 million. This bill reduces the tax cut trigger from the \$150 million to any increase in general revenue raised in the three previous years.

Currently, an individual income tax deduction for business income is authorized, beginning January 1, 2017, that phases in the deduction in 5% increments, over a period of years. The deduction can only occur if the net general revenue collected in the previous fiscal year exceeds those collected in any of the three fiscal years prior to the fiscal year by at least \$150 million. The bill reduces the tax deduction trigger from the \$150 million to any increase in general revenue raised in the three previous years.