

Moved by Moyle

Seconded by Collins

IN THE HOUSE OF REPRESENTATIVES
HOUSE AMENDMENT TO S.B. NO. 1195

AMENDMENT TO THE BILL

On page 4 of the printed bill, following line 14, insert:

"SECTION 2. That Section 63-3024, Idaho Code, be, and the same is hereby amended to read as follows:

63-3024. INDIVIDUALS' TAX AND TAX ON ESTATES AND TRUSTS. (a) For taxable year 2001, and each taxable year thereafter, a tax measured by Idaho taxable income as defined in this chapter is hereby imposed upon every individual, trust, or estate required by this chapter to file a return.

(a) Through taxable year 2016 and except as provided in paragraph (ii) of this subsection, the tax imposed upon individuals, trusts and estates shall be computed at the following rates:

When Idaho taxable income is:	The rate is:
Less than \$1,000	One and six-tenths percent (1.6%)
\$1,000 but less than \$2,000	\$16, plus three and six-tenths percent (3.6%) of the amount over \$1,000
\$2,000 but less than \$3,000	\$52, plus four and one-tenth percent (4.1%) of the amount over \$2,000
\$3,000 but less than \$4,000	\$93, plus five and one-tenth percent (5.1%) of the amount over \$3,000
\$4,000 but less than \$5,000	\$144, plus six and one-tenth percent (6.1%) of the amount over \$4,000
\$5,000 but less than \$7,500	\$205, plus seven and one-tenth percent (7.1%) of the amount over \$5,000
\$7,500 and over	\$383, plus seven and four-tenths percent (7.4%) of the amount over \$7,500

(ii) Beginning with taxable year 2017 and each taxable year thereafter, the tax imposed upon individuals, trusts and estates shall be computed at the following rates:

<u>When Idaho taxable income is:</u>	<u>The rate is:</u>
<u>Less than \$1,000</u>	<u>One and five-tenths percent (1.5%)</u>
<u>\$1,000 but less than \$2,000</u>	<u>\$15, plus three and five-tenths percent (3.5%) of the amount over \$1,000</u>

1	<u>\$2,000 but less than \$3,000</u>	<u>\$50, plus four percent (4.0%)</u>
2		<u>of the amount over \$2,000</u>
3	<u>\$3,000 but less than \$4,000</u>	<u>\$90, plus five percent (5.0%)</u>
4		<u>of the amount over \$3,000</u>
5	<u>\$4,000 but less than \$5,000</u>	<u>\$140, plus six percent (6.0%)</u>
6		<u>of the amount over \$4,000</u>
7	<u>\$5,000 but less than \$7,500</u>	<u>\$200, plus seven percent (7.0%)</u>
8		<u>of the amount over \$5,000</u>
9	<u>\$7,500 and over</u>	<u>\$375, plus seven and three-tenths</u>
10		<u>percent (7.3%) of the amount</u>
11		<u>over \$7,500</u>

12 For taxable year 2000 and each year thereafter, the state tax commis-
 13 sion shall prescribe a factor ~~which~~ that shall be used to compute the Idaho
 14 income tax brackets provided in subsection (a) of this section. The factor
 15 shall provide an adjustment to the Idaho tax brackets so that inflation will
 16 not result in a tax increase. The Idaho tax brackets shall be adjusted as
 17 follows: multiply the bracket amounts by the percentage (the consumer price
 18 index for the calendar year immediately preceding the calendar year to which
 19 the adjusted brackets will apply divided by the consumer price index for cal-
 20 endar year 1998). For the purpose of this computation, the consumer price
 21 index for any calendar year is the average of the consumer price index as of
 22 the close of the twelve (12) month period for the immediately preceding cal-
 23 endar year, without regard to any subsequent adjustments, as adopted by the
 24 state tax commission. This adoption shall be exempt from the provisions of
 25 chapter 52, title 67, Idaho Code. The consumer price index shall mean the
 26 consumer price index for all U.S. urban consumers published by the United
 27 States department of labor. The state tax commission shall annually include
 28 the factor as provided in this subsection to multiply against Idaho taxable
 29 income in the brackets above to arrive at that year's Idaho taxable income
 30 for tax bracket purposes.

31 (b) In case a joint return is filed by husband and wife pursuant to the
 32 provisions of section 63-3031, Idaho Code, the tax imposed by this section
 33 shall be twice the tax ~~which~~ that would be imposed on one-half (1/2) of the
 34 aggregate Idaho taxable income. For the purposes of this section, a return
 35 of a surviving spouse, as defined in section 2(a) of the Internal Revenue
 36 Code, and a head of household, as defined in section 2(b) of the Internal Rev-
 37 enue Code, shall be treated as a joint return and the tax imposed shall be
 38 twice the tax ~~which~~ that would be imposed on one-half (1/2) of the Idaho tax-
 39 able income.

40 (c) In the case of a trust that is an electing small business trust as
 41 defined in section 1361 of the Internal Revenue Code, the special rules for
 42 taxation of such trusts contained in section 641 of the Internal Revenue Code
 43 shall apply except that the maximum individual rate provided in this section
 44 shall apply in computing tax due under this chapter.

45 (d) The state tax commission shall compute and publish Idaho income
 46 tax liability for taxpayers at the midpoint of each bracket of Idaho taxable
 47 income in fifty dollar (\$50.00) steps to fifty thousand dollars (\$50,000),
 48 rounding such calculations to the nearest dollar. Taxpayers having income

1 within such brackets shall file returns based upon and pay taxes according
 2 to the schedule thus established. The state tax commission shall promulgate
 3 rules defining the conditions upon which such returns shall be filed.

4 SECTION 3. That Section 63-3025, Idaho Code, be, and the same is hereby
 5 amended to read as follows:

6 63-3025. TAX ON CORPORATE INCOME. (1) For taxable years commencing on
 7 and after January 1, 2001, a tax is hereby imposed on the Idaho taxable income
 8 of a corporation, other than an S corporation, ~~which that~~ transacts or is au-
 9 thorized to transact business in this state or ~~which that~~ has income attrib-
 10 utable to this state. The tax shall be equal to seven and ~~four~~ three-tenths
 11 percent (7.43 %) of Idaho taxable income.

12 (2) In the case of an S corporation that is required to file a return un-
 13 der section 63-3030, Idaho Code, a tax is hereby imposed at the rate provided
 14 in subsection (1) of this section upon both:

15 (a) Net recognized built-in gain attributable to this state. The
 16 amount of net recognized built-in gain attributable to this state shall
 17 be computed in accordance with section 1374 of the Internal Revenue
 18 Code subject to the apportionment and allocation provisions of section
 19 63-3027, Idaho Code.

20 (b) Excess net passive income attributable to this state. The amount of
 21 excess net passive income attributable to this state shall be computed
 22 in accordance with section 1375 of the Internal Revenue Code subject to
 23 the apportionment and allocation provisions of section 63-3027, Idaho
 24 Code.

25 (3) The tax imposed by subsection (1) or (2) of this section shall not
 26 be less than twenty dollars (\$20.00); provided further that the twenty dol-
 27 lar (\$20.00) minimum payment shall not be collected from nonproductive min-
 28 ing corporations.

29 (4) The tax imposed by this section shall not apply to corporations
 30 taxed pursuant to the provisions of section 63-3025A, Idaho Code.

31 SECTION 4. An emergency existing therefor, which emergency is hereby
 32 declared to exist, Sections 2 and 3 of this act shall be in full force and ef-
 33 fect on and after passage and approval, and retroactively to January 1, 2017.
 34 Section 1 of this act shall be in full force and effect on and after July 1,
 35 2018."

36 CORRECTION TO TITLE

37 On page 1, delete line 4, and insert: "2018, AND TO MAKE TECHNICAL
 38 CORRECTIONS; AMENDING SECTION 63-3024, IDAHO CODE, TO REVISE CERTAIN
 39 RATES OF INCOME TAXATION AND TO MAKE TECHNICAL CORRECTIONS; AMENDING SEC-
 40 TION 63-3025, IDAHO CODE, TO REVISE A RATE OF INCOME TAXATION AND TO MAKE
 41 TECHNICAL CORRECTIONS; DECLARING AN EMERGENCY AND PROVIDING RETROACTIVE
 42 APPLICATION."