

STATEMENT OF PURPOSE

RS25996

This bill relates to income taxes. The bill will conform the Idaho income tax code to changes made to the Internal Revenue Code (IRC) that affect the 2018 taxable year, including but not limited to standard deduction increase, personal and dependent exemption elimination, and miscellaneous business income tax changes. The Idaho income tax code is based on using the federal taxable income as a starting point for both business and individual income tax returns.

This bill also creates a nonrefundable Idaho child tax credit of \$130 per qualifying child.

Additionally it reduces personal income tax rate by 0.475%, in all brackets, and reduces the corporate income tax rate by 0.475%.

FISCAL NOTE

Individual income tax:

Standard deduction increase	-\$340.5 million
Personal exemption	+\$272.3 million
Dependent exemptions	+\$139.5 million
Itemized deductions	+\$55.3 million
Itemized deductions/Medical expenses	-\$1.8 million
Education expenses	-\$6.0 million
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Net effect on individuals	+\$118.8 million

Business income tax:

Net effect on business	-\$21.4 million
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Estimated Net conformity effect: +\$97.4 million

Idaho child tax credit: -\$42.3 million

Individual income tax rate reduction -\$144.5 million

Corporate income tax rate reduction -\$15.1 million

Total Tax Relief -\$201.9 million

Reduction in General Fund Revenue -\$104.5 million

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).



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