

STATEMENT OF PURPOSE

RS24777

This legislation provides Idaho taxpayers much needed tax relief by reducing each individual income tax rate by 0.1 percentage point and the corporate income tax rate by 0.1 percentage point.

In addition, the legislation modernizes the definition of a retailer doing business in Idaho in the Sales Tax Act to impose a sales/use tax collection responsibility on retailers that sell into Idaho but do not currently have a physical presence in the state.

FISCAL NOTE

The income tax rate reductions will reduce general fund revenues by a total of \$27.4 million for fiscal year 2017, of which \$24.4 million is for the individual income tax rate reduction and \$3 million for the corporate tax rate reduction.

The change to the definition of doing business in Idaho will increase general fund revenue by \$11 million in fiscal year 2017.

The total effect on the general fund is a reduction of \$16.4 million for fiscal 2017.

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