

Tax Reform Package: Sales Tax Centralization

State and Local Streamlined Sales and Use Tax Commission

- Statewide political subdivision with 8 members
- Single point of filing and remittance of state and local sales taxes
- Develop rules to streamline the audit process

Do you support an amendment to authorize the legislature to provide for the streamlined electronic filing, electronic remittance, and the collection of sales and use taxes levied within the state by the State and Local Streamlined Sales and Use Tax Commission and to provide for the funding, duties, and responsibilities of the commission? (Adds Article VII, Section 3.1)

Remote Sellers Collections

Tax Period	Total Collections	State Portion Distributed	Open Accounts	Returns Filed
1 st Quarter 2021	\$63,282,282.39	\$30,118,049.00	1,757	1,080
2 nd Quarter 2021	\$87,134,867.73	\$41,560,842.79	2,539	1,534
3 rd Quarter 2021	\$87,559,451.03	\$41,452,353.29	3,210	2,117
4 th Quarter 2021	\$94,612,689.45	\$44,841,543.69	3,788	2,598

Tax Reform Package: Income Tax

Individual Income Tax

- Repeals FIT deduction
- Rate decrease
 - 2% -> 1.85%
 - 4% -> 3.50%
 - 6% -> 4.25%
- Limits EID to medical expenses only
- Max rate of 4.75%
- Reduction triggers

Corporation Income Tax

- Repeals FIT deduction
- Current rates
 - 4% (>25k)
 - 5% (25k-50k)
 - 6% (50k-100k)
 - 7% (100k-200k)
 - 8% (200k<)
- Rate decrease
 - 3.5% (>50k)
 - 5.5% (50k-150k)
 - 7.5% (150k<)

Fiduciary Income Tax

- Repeals FIT deduction
- Rate decrease
 - 2% -> 1.85%
 - 4% -> 3.50%
 - 6% -> 4.25%

Do you support an amendment to lower the maximum allowable rate of individual income tax and to authorize the legislature to provide by law for a deduction for federal income taxes paid?

Tax Reform Package: Franchise Tax

Prior to July 1, 2020	July 1, 2020 – June 30, 2021	July 1, 2021 – July 1, 2023	January 1, 2023 and After
\$1.50 per \$1000 of taxable capital from \$0 - \$300,000	Not applicable if corporation has \$1M or less of taxable capital	Not applicable if corporation has \$1M or less of taxable capital	\$2.75 per \$1000 of taxable capital of \$300,001 and over
\$3.00 per \$1000 of taxable capital of \$300,001 and over	\$3.00 per \$1000 of taxable capital of \$300,001 and over	\$3.00 per \$1000 of taxable capital of \$300,001 and over	Reduction trigger based on growth factors



Collections

Fiscal Year 2021, LDR collected a total of **\$10.17 billion** in state taxes.

- Individual Income Tax: **\$4.2 billion**
- Sales Tax: **\$3.6 billion**
- Corporate Income and Franchise Tax: **\$1.1 billion**

Compared to Fiscal Year 2020, LDR collected **\$8.84 billion** in state taxes.

- Individual Income Tax: **\$3.6 billion**
- Sales Tax: **\$3.4 billion**
- Corporate Income and Franchise: **\$391 million**

American Rescue Plan Act of 2021

“A State or territory shall not use the funds provided under this section or transferred pursuant to section 603(c)(4) to either directly or indirectly offset a reduction in the net tax revenue of such State or territory resulting from a change in law, regulation, or administrative interpretation during the covered period that reduces any tax (by providing for a reduction in a rate, a rebate, a deduction, a credit, or otherwise) or delays the imposition of any tax or tax increase.”