

**Fiscal Impact: PCS to H117**

	State (\$ in millions)					Local (\$ in millions)				
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
<b>Personal Income Tax (Effective 2016 Tax Year)</b>										
Reduce Tax Rate - 5.5% in 2016										
Raise Standard Deduction to \$17,500 MFJ / \$8,750 Single / \$14,000 HOH; and increase Standard Deduction annually: 2017 - \$17,750 MFJ, \$8,875 Single, \$14,200 HOH 2018 - \$18,000 MFJ, \$9,000 Single, \$14,400 HOH 2019 - \$18,250 MFJ, \$9,125 Single, \$14,600 HOH 2020 - \$18,500 MFJ, \$9,250 Single, \$14,800 HOH										
Allow all itemized deductions on IRS Schedule A, capped at \$20,000										
<b>Subtotal Personal Income Tax Changes</b>	<b>(287.5)</b>	<b>(615.0)</b>	<b>(669.4)</b>	<b>(738.8)</b>	<b>(809.8)</b>	No local impact				
<b>Corporate Income Tax</b>										
Repeal rate triggers, rate at 4% for 2016, 3% for 2017 and after (fiscal impact included in May 2015 consensus forecast)	-	-	-	-	-					
Singles Sales Factor Apportionment: 3-Year phase-in beginning 1/1/16	(7.5)	(19.0)	(42.8)	(69.9)	(73.0)					
Repeal caps/credits on expense attribution to nontaxed income for banks and public utilities	12.0	21.0	22.0	23.0	24.0					
<b>Subtotal Corporate Income Tax Changes</b>	<b>4.5</b>	<b>2.0</b>	<b>(20.8)</b>	<b>(46.9)</b>	<b>(49.0)</b>	No local impact				
<b>Franchise Tax</b>										
Reduce tax rate to \$1.00/\$1,000. Increase minimum tax and simplify	-	(179.0)	(184.6)	(189.3)	(195.2)					
<b>Mill Machinery Tax*</b>										
Increase 1%/\$80 to 4.75%/\$500 (10/1/15)	100.0	140.0	144.2	148.5	153.0					
<b>State Privilege License Tax</b>										
Repeal tax on Banks (effective 01/01/2016)	(12.0)	(12.0)	(12.0)	(12.0)	(12.0)					
<b>Sales Tax*</b>										
Phase down non-profit sales tax refund over five years , exempt taxable purchase amounts (current limit \$666,666,667): \$150,000,000 in FY17 \$120,000,000 in FY18 \$90,000,000 in FY19 \$60,000,000 in FY20 \$15,000,000 in FY21	-	40.0	80.0	120.0	160.0	-	16.8	33.7	50.5	67.4
Expand sales tax base (effective 10/1/2015):										
Installation, repair, & maintenance of tangible personal property	90.9	152.2	159.0	166.2	173.7	38.3	64.1	67.0	70.0	73.1
Veterinary services	24.0	40.2	42.0	43.9	45.8	10.1	16.9	17.7	18.5	19.3
Pet care services (other than veterinary services)	3.2	5.3	5.6	5.8	6.1	1.3	2.2	2.3	2.5	2.6
Increase boat rate to 4.75%/\$1500 aircraft to 4.75%/\$5000 (10/1/15)	4.2	5.2	5.4	5.5	5.7					
<b>Subtotal Sales Tax Changes</b>	<b>122.3</b>	<b>242.9</b>	<b>292.0</b>	<b>341.4</b>	<b>385.6</b>	<b>49.7</b>	<b>100.1</b>	<b>120.6</b>	<b>141.5</b>	<b>162.4</b>
<b>Total Tax Reform Changes</b>	<b>(72.7)</b>	<b>(421.1)</b>	<b>(450.6)</b>	<b>(497.1)</b>	<b>(527.4)</b>	<b>49.7</b>	<b>100.1</b>	<b>120.6</b>	<b>141.5</b>	<b>162.4</b>

\*Mill Machinery and Sales Tax effective dates assume enactment of changes by July 1, 2015