<table>
<thead>
<tr>
<th>INDIVIDUAL INCOME TAX CHANGE</th>
<th>HB 998, 3rd Edition (House)</th>
<th>HB 998, 4th Edition (Senate)</th>
<th>New Senate PCS to H998 H998-CSRBx-40</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rates</strong></td>
<td>Flat rate of 5.9%, 2014</td>
<td>Flat rate of 5.4%, 2014</td>
<td>Flat Rate of 5.75%, 2014</td>
</tr>
<tr>
<td></td>
<td>Reduces rate to 5.25%, 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Zero Tax Bracket</strong></td>
<td>N/A</td>
<td>$15,000 (MFJ); $12,000 (H/H); $7,500 (MFS &amp; Single)</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Standard deduction</strong></td>
<td>$12,000 (MFJ)</td>
<td>Eliminate</td>
<td>$15,000 (MFJ)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$12,000 (H/H)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$7,500 (MFS &amp; Single)</td>
</tr>
<tr>
<td><strong>Itemized deductions</strong></td>
<td>Unlimited charitable contributions Mtg. interest + property taxes paid on real estate (not to exceed $25,000)</td>
<td>Eliminate</td>
<td>Unlimited charitable contributions $15,000 cap on Mtg. interest + property taxes on real estate</td>
</tr>
<tr>
<td><strong>Personal exemption</strong></td>
<td>Eliminate</td>
<td>Eliminate</td>
<td>Eliminate</td>
</tr>
<tr>
<td><strong>Social security</strong></td>
<td>No change</td>
<td>Included to the extent included in federal AGI</td>
<td>Current law; no change</td>
</tr>
<tr>
<td><strong>$4,000 retirement income exemption</strong></td>
<td>No change</td>
<td>Eliminate</td>
<td>Eliminate</td>
</tr>
<tr>
<td><strong>Deduction for severance wages</strong></td>
<td>Eliminate</td>
<td>Eliminate</td>
<td>Eliminate</td>
</tr>
<tr>
<td><strong>$50k business deduction</strong></td>
<td>Eliminate, 2013</td>
<td>Eliminate, 2014</td>
<td>Eliminate, 2014</td>
</tr>
<tr>
<td><strong>Child credit</strong></td>
<td>AGI =/&lt; $100K = $250 AGI &gt; $100K = $100</td>
<td>No change</td>
<td>Current law; no change</td>
</tr>
<tr>
<td><strong>Credit for non-itemizers charitable deductions</strong></td>
<td>Eliminate</td>
<td>Eliminate</td>
<td>Eliminate</td>
</tr>
<tr>
<td><strong>Credits scheduled to sunset 2014 Long term care insurance premium,</strong></td>
<td>No change</td>
<td>No change</td>
<td>No change</td>
</tr>
<tr>
<td>earned income tax credit, adoption expenses</td>
<td>HB 998, 3rd Edition (House)</td>
<td>HB 998, 4th Edition (Senate)</td>
<td>New Senate PCS to H998 H998-CSRBx-40</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>-----------------------------</td>
<td>-----------------------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td>Credits with no sunset Child care, disabled, 529 Plan, gleaned crop, handicapped dwelling units, conservation tillage equipment, real property donations, poultry composting facility</td>
<td>No change</td>
<td>Eliminate</td>
<td>Eliminate</td>
</tr>
</tbody>
</table>

**CORPORATE INCOME TAX CHANGES**

<table>
<thead>
<tr>
<th>Rate</th>
<th>HB 998, 3rd Edition (House)</th>
<th>HB 998, 4th Edition (Senate)</th>
<th>New Senate PCS to H998 H998-CSRBx-40</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 – 6.5%</td>
<td>2014 – 6%</td>
<td>2014 – 6.4%</td>
<td></td>
</tr>
<tr>
<td>2015 – 6.35%</td>
<td>2015 – 4%</td>
<td>2015 – 5%</td>
<td></td>
</tr>
<tr>
<td>2016 – 6.2%</td>
<td>2016 – 2%</td>
<td>2016 – 4%</td>
<td></td>
</tr>
<tr>
<td>2017 – 5.6%</td>
<td>2017 – Eliminate CIT</td>
<td>2017 – 2%</td>
<td></td>
</tr>
<tr>
<td>Thereafter – 5.4%</td>
<td></td>
<td>2018 – Eliminate</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Credit -- real property donation</th>
<th>HB 998, 3rd Edition (House)</th>
<th>HB 998, 4th Edition (Senate)</th>
<th>New Senate PCS to H998 H998-CSRBx-40</th>
</tr>
</thead>
<tbody>
<tr>
<td>No change</td>
<td>Eliminate</td>
<td>Eliminate</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Credit – low-income housing</th>
<th>HB 998, 3rd Edition (House)</th>
<th>HB 998, 4th Edition (Senate)</th>
<th>New Senate PCS to H998 H998-CSRBx-40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limit to Tier 1 and 2 Remove sunset Rename it</td>
<td>No change</td>
<td>Limit to tier 1 and 2 Rename it &quot;Work Force Housing Credit&quot; Phase it down 25% a year until it is eliminated in 2018</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CIT credits without a sunset, that parallel PIT credits</th>
<th>HB 998, 3rd Edition (House)</th>
<th>HB 998, 4th Edition (Senate)</th>
<th>New Senate PCS to H998 H998-CSRBx-40</th>
</tr>
</thead>
<tbody>
<tr>
<td>No change</td>
<td>Eliminate</td>
<td>Eliminate, 2014, same as PIT</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Credit – S&amp;L supervisory fees</th>
<th>HB 998, 3rd Edition (House)</th>
<th>HB 998, 4th Edition (Senate)</th>
<th>New Senate PCS to H998 H998-CSRBx-40</th>
</tr>
</thead>
<tbody>
<tr>
<td>No change</td>
<td>Eliminate, 2017 when CIT eliminated</td>
<td>Eliminate, 2018 when CIT eliminated</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Credit – manufacturing cigarettes for exportation</th>
<th>HB 998, 3rd Edition (House)</th>
<th>HB 998, 4th Edition (Senate)</th>
<th>New Senate PCS to H998 H998-CSRBx-40</th>
</tr>
</thead>
<tbody>
<tr>
<td>No change, sunsets 2018</td>
<td>Eliminate, 2017 when CIT eliminated</td>
<td>Eliminate, 2018 when CIT eliminated</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Credit – recycling</th>
<th>HB 998, 3rd Edition (House)</th>
<th>HB 998, 4th Edition (Senate)</th>
<th>New Senate PCS to H998 H998-CSRBx-40</th>
</tr>
</thead>
<tbody>
<tr>
<td>No change</td>
<td>Eliminate, 2017 when CIT eliminated</td>
<td>Eliminate, 2018 when CIT eliminated</td>
<td></td>
</tr>
<tr>
<td>Facilities</td>
<td>HB 998, 3rd Edition (House)</td>
<td>HB 998, 4th Edition (Senate)</td>
<td>New Senate PCS to H998 H998-CSRBx-40</td>
</tr>
<tr>
<td>---------------------</td>
<td>-----------------------------</td>
<td>------------------------------</td>
<td>--------------------------------------</td>
</tr>
<tr>
<td>Article 3C</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Credit – Intermodal RR Facilities</td>
<td>No change, sunsets 2038</td>
<td>Eliminate, 2017 when CIT eliminated</td>
<td>Eliminate, 2018 when CIT eliminated</td>
</tr>
</tbody>
</table>

**Business Privilege Tax (New)**

<table>
<thead>
<tr>
<th>Taxpayers</th>
<th>HB 998, 3rd Edition (House)</th>
<th>HB 998, 4th Edition (Senate)</th>
<th>New Senate PCS to H998 H998-CSRBx-40</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All limited liability entities except C corporations, 2015</td>
<td>All limited liability entities, 2018</td>
<td>All business entities with limited liability</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rate</th>
<th>HB 998, 3rd Edition (House)</th>
<th>HB 998, 4th Edition (Senate)</th>
<th>New Senate PCS to H998 H998-CSRBx-40</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015 – $400</td>
<td>2016 - $600</td>
<td>2017 - $750</td>
<td>2018 – C corporations = $5,000; all others = $750</td>
</tr>
</tbody>
</table>

**FRANCHISE TAX CHANGES**

<table>
<thead>
<tr>
<th>Rate</th>
<th>HB 998, 3rd Edition (House)</th>
<th>HB 998, 4th Edition (Senate)</th>
<th>New Senate PCS to H998 H998-CSRBx-40</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.50 per $1000</td>
<td>$1.35 per $1000</td>
<td>No change to minimum tax of $35</td>
<td>No change to minimum tax of $35</td>
</tr>
<tr>
<td>Minimum tax = $35</td>
<td>No change to maximum tax on holding company</td>
<td>No change to maximum tax on holding company</td>
<td></td>
</tr>
<tr>
<td>Maximum tax for holding company = $75,000</td>
<td>2015 - $1.20 per $1,000 with minimum tax of $500</td>
<td>2015 - $1.25 per $1,000 with minimum tax of $500</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2016 - $0.90 per $1,000 with minimum tax of $1,000</td>
<td>2016 - $1.00 per $1,000 with minimum tax of $2,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2017 - $0.60 per $1,000 with minimum tax of $2,000</td>
<td>2017 - $0.75 per $1,000 with minimum tax of $3,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2018 – eliminated &amp; replaced with business privilege tax</td>
<td>2018 – eliminated &amp; replaced with business privilege tax</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No change to maximum tax on holding company; tax eliminated in 2018</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>GR tax on electricity</th>
<th>HB 998, 3rd Edition (House)</th>
<th>HB 998, 4th Edition (Senate)</th>
<th>New Senate PCS to H998 H998-CSRBx-40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eliminate, include it in the sales tax base July 1, 2014</td>
<td>Eliminate, include it in the sales tax base July 1, 2014</td>
<td>Eliminate, include it in the sales tax base July 1, 2014</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Taxpayers</th>
<th>HB 998, 3rd Edition (House)</th>
<th>HB 998, 4th Edition (Senate)</th>
<th>New Senate PCS to H998 H998-CSRBx-40</th>
</tr>
</thead>
<tbody>
<tr>
<td>No change</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Annual report filing fee</th>
<th>HB 998, 3rd Edition (House)</th>
<th>HB 998, 4th Edition (Senate)</th>
<th>New Senate PCS to H998 H998-CSRBx-40</th>
</tr>
</thead>
<tbody>
<tr>
<td>No change</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eliminate, 2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>HB 998, 3rd Edition (House)</td>
<td>HB 998, 4th Edition (Senate)</td>
<td>New Senate PCS to H998 H998-CSRBx-40</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>------------------------------</td>
<td>------------------------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td><strong>Privilege Tax Changes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local authority in 153A and 160A</td>
<td>No change</td>
<td>Eliminate, 2018</td>
<td>Current law; no change.</td>
</tr>
<tr>
<td>Amusements, movies</td>
<td>Eliminate, include in the sales tax base</td>
<td>Eliminate, include in sales tax base</td>
<td>Eliminate and include in the sales tax base, effective October 1, 2013</td>
</tr>
<tr>
<td>Various State taxes</td>
<td>No change</td>
<td>Eliminate, 2018</td>
<td>Current law; no change.</td>
</tr>
<tr>
<td><strong>Sales Tax Changes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Rate = 4.75%</td>
<td>No change</td>
<td>No change</td>
<td>No change</td>
</tr>
<tr>
<td>Local Rate = 2% Optional ¼ cent</td>
<td>No change</td>
<td>No change</td>
<td>No change</td>
</tr>
<tr>
<td>Tax rate: manufactured home 2%, $300 maximum</td>
<td>No change</td>
<td>State general rate; not in local base</td>
<td>State general rate; not in local base July 1, 2014</td>
</tr>
<tr>
<td>Tax rate: modular homes 2.5%</td>
<td>No change</td>
<td>State general rate; not in local base</td>
<td>State general rate; not in local base July 1, 2014</td>
</tr>
<tr>
<td>Tax rate: Electricity 3%</td>
<td>State tax only</td>
<td>State tax only</td>
<td>State tax only</td>
</tr>
<tr>
<td>• 2.83% - dry cleaners</td>
<td>Combined general rate</td>
<td>Combined general rate</td>
<td>Combined general rate</td>
</tr>
<tr>
<td>• Exempt – mfgs, farmers, datacenters</td>
<td>Retain current exemptions for farmers, eligible internet datacenter, and manufacturing</td>
<td>Retain current exemptions for farmers, eligible internet datacenter, and manufacturing</td>
<td>Retain current exemptions for farmers, eligible internet datacenter, and manufacturing</td>
</tr>
<tr>
<td>Add service contracts</td>
<td>Yes</td>
<td>No</td>
<td>Yes, July 1, 2014 Exempt if item for which service contract provided is exempt (except motor vehicles)</td>
</tr>
<tr>
<td>Add – alteration, repair, maintenance, cleaning, installation</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Add - Amusements from privilege GR tax</td>
<td>Yes October 1, 2013</td>
<td>Yes October 1, 2013</td>
<td>Yes October 1, 2013</td>
</tr>
<tr>
<td>Add – Attractions for which admission charged</td>
<td>HB 998, 3rd Edition (House)</td>
<td>HB 998, 4th Edition (Senate)</td>
<td>New Senate PCS to H998 H998-CSRBx-40</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>-----------------------------</td>
<td>-----------------------------</td>
<td>----------------------------------</td>
</tr>
<tr>
<td>Yes October 1, 2013</td>
<td>Yes October 1, 2013</td>
<td>Yes July 1, 2014</td>
<td></td>
</tr>
<tr>
<td>Amusement exemptions</td>
<td>14</td>
<td>4</td>
<td>5 (add State attractions)</td>
</tr>
<tr>
<td>Add – PNG</td>
<td>State tax only</td>
<td>State tax only</td>
<td>State tax only</td>
</tr>
<tr>
<td></td>
<td>Combined general rate</td>
<td>Combined general rate</td>
<td>Combined general rate</td>
</tr>
<tr>
<td></td>
<td>July 1, 2014</td>
<td>July 1, 2014</td>
<td>July 1, 2014</td>
</tr>
<tr>
<td>Exemption – nutritional supplements</td>
<td>Eliminate July 1, 2013</td>
<td>Eliminate October 1, 2013</td>
<td>Eliminate October 1, 2013</td>
</tr>
<tr>
<td>Exemption – newspapers</td>
<td>No change</td>
<td>Eliminate October 1, 2013</td>
<td>Eliminate October 1, 2013</td>
</tr>
<tr>
<td>Exemption – penny vending machines</td>
<td>No change</td>
<td>Eliminate October 1, 2013</td>
<td>Eliminate October 1, 2013</td>
</tr>
<tr>
<td>Exemption – 50% of sales from vending machines</td>
<td>No change</td>
<td>Eliminate October 1, 2013</td>
<td>Phase out exemption over 4 years, beginning July 1, 2014</td>
</tr>
<tr>
<td>Exemption – free distribution periodicals</td>
<td>No change</td>
<td>Phased elimination</td>
<td>Repeal exemption; allow refund; phased elimination of refund (See below)</td>
</tr>
<tr>
<td>Sales tax holiday for school</td>
<td>No change</td>
<td>Eliminate July 1, 2014</td>
<td>Eliminate July 1, 2014</td>
</tr>
<tr>
<td>Sales tax holiday for Energy Star</td>
<td>Eliminate July 1, 2013</td>
<td>Eliminate July 1, 2014</td>
<td>Eliminate July 1, 2014</td>
</tr>
<tr>
<td>Exemption – Food</td>
<td>No change</td>
<td>• Eliminate local sales tax on food, November 2014</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Give counties the authority to impose a local sales tax on food at the county's local sales tax rate, January 2015</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Current law; no change</td>
<td></td>
</tr>
<tr>
<td></td>
<td>HB 998, 3rd Edition (House)</td>
<td>HB 998, 4th Edition (Senate)</td>
<td>New Senate PCS to H998 H998-CSRBx-40</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>Exemptions – farm related</strong>&lt;br&gt;Fuel and electricity, fertilizer, etc., farm machinery, containers, substances used on animals or plants, baby chicks</td>
<td>No change</td>
<td>Annual gross income requirement of $10,000</td>
<td>Annual gross income requirement of $10,000; effective July 1, 2014</td>
</tr>
<tr>
<td><strong>Various exemptions/refunds</strong>&lt;br&gt;Farm facilities and bulk barns, commercial logging, wood chippers, telephone companies, radio or television companies, cable service providers, commercial fishing, commercial laundries, diesel fuel sold to railroad, fuel sold to passenger air carrier</td>
<td>No change</td>
<td>Phased elimination</td>
<td>Remove packaging, remains exempt 2014 – 80% refund of State and local sales tax paid 2015 – 60% 2016 – 40% 2017 – 20% 2018 -- Eliminate</td>
</tr>
<tr>
<td><strong>Tax refunds – existing sunset of 2014</strong>&lt;br&gt;Passenger air carrier, motorsports, analytical services, industrial</td>
<td>No change</td>
<td>No change</td>
<td>Current law; no change except as follows:  • Passenger air carrier moved to phased elimination of refund (-164.14A(1))  • Motorsports extended 6 months, until July 1, 2014 (-164.14A(4) &amp; (5))</td>
</tr>
<tr>
<td><strong>Tax refunds – nonprofits</strong></td>
<td>No change</td>
<td>Capped 2014 - $7.5M State, $2.25M local 2015 - $5M State, $1.5M local 2016 - $1M State, $300,000 local 2017 - $100,000 State, $30,000 local</td>
<td>Move UNC Healthcare to State agencies exemption. Cap remaining refunds: 2014-15 - $10.5 million (State and local) 2015-16 - $7 million (State and local) 2016-17 - $5 (State and local) 2017-18 - $2.85 (State and local)</td>
</tr>
<tr>
<td><strong>Tax refunds – local governments</strong></td>
<td><strong>HB 998, 3rd Edition</strong> <em>(House)</em></td>
<td><strong>HB 998, 4th Edition</strong> <em>(Senate)</em></td>
<td><strong>New Senate PCS to H998 H998-CSRBx-40</strong></td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-------------------------------</td>
<td>---------------------------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>No change</td>
<td>Eliminate, July 1, 2014</td>
<td>Eliminate, January 1, 2016</td>
</tr>
</tbody>
</table>

**EXCISE TAX CHANGES**

<table>
<thead>
<tr>
<th><strong>Excise tax on PNG</strong></th>
<th><strong>HB 998, 3rd Edition</strong> <em>(House)</em></th>
<th><strong>HB 998, 4th Edition</strong> <em>(Senate)</em></th>
<th><strong>New Senate PCS to H998 H998-CSRBx-40</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Eliminate, include in the sales tax base</td>
<td>Eliminate, include in the sales tax base</td>
<td>Eliminate and include in the sales tax base</td>
</tr>
<tr>
<td></td>
<td>July 1, 2014</td>
<td>July 1, 2014</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Excise tax on motor fuel</strong></th>
<th><strong>HB 998, 3rd Edition</strong> <em>(House)</em></th>
<th><strong>HB 998, 4th Edition</strong> <em>(Senate)</em></th>
<th><strong>New Senate PCS to H998 H998-CSRBx-40</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N/A</td>
<td>N/A</td>
<td>Cap for one year at current rate, beginning September 1, 2013 – until July 1, 2014</td>
</tr>
</tbody>
</table>

**LOCAL GOVERNMENT DISTRIBUTIONS**

<table>
<thead>
<tr>
<th><strong>CIT earmark for Public School Building Capital Fund (No funds applied since 2008)</strong></th>
<th><strong>HB 998, 3rd Edition</strong> <em>(House)</em></th>
<th><strong>HB 998, 4th Edition</strong> <em>(Senate)</em></th>
<th><strong>New Senate PCS to H998 H998-CSRBx-40</strong></th>
</tr>
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<tr>
<td>Eliminate</td>
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<tr>
<th><strong>GR tax on electricity distributed to cities</strong></th>
<th><strong>HB 998, 3rd Edition</strong> <em>(House)</em></th>
<th><strong>HB 998, 4th Edition</strong> <em>(Senate)</em></th>
<th><strong>New Senate PCS to H998 H998-CSRBx-40</strong></th>
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<tbody>
<tr>
<td>Formula to preserve local distribution</td>
<td>Formula to preserve local distribution</td>
<td>Formula to preserve local distribution</td>
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<tr>
<td>Re-calculate formula every 5 years, beginning 2020</td>
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<td>Recalculate every five years, beginning 2020</td>
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<tr>
<th><strong>Excise tax on PNG distributed to cities</strong></th>
<th><strong>HB 998, 3rd Edition</strong> <em>(House)</em></th>
<th><strong>HB 998, 4th Edition</strong> <em>(Senate)</em></th>
<th><strong>New Senate PCS to H998 H998-CSRBx-40</strong></th>
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<table>
<thead>
<tr>
<th><strong>Earmarking 20% of sales tax from modular homes</strong></th>
<th><strong>HB 998, 3rd Edition</strong> <em>(House)</em></th>
<th><strong>HB 998, 4th Edition</strong> <em>(Senate)</em></th>
<th><strong>New Senate PCS to H998 H998-CSRBx-40</strong></th>
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**ESTATE TAX**

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<tr>
<th><strong>Tax Levy</strong></th>
<th><strong>HB 998, 3rd Edition</strong> <em>(House)</em></th>
<th><strong>HB 998, 4th Edition</strong> <em>(Senate)</em></th>
<th><strong>New Senate PCS to H998 H998-CSRBx-40</strong></th>
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</thead>
<tbody>
<tr>
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<td>Eliminate, HB 101 2013</td>
<td>Eliminate 2013</td>
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**EARMARKING**

<table>
<thead>
<tr>
<th><strong>Real estate conveyance tax</strong></th>
<th><strong>HB 998, 3rd Edition</strong> <em>(House)</em></th>
<th><strong>HB 998, 4th Edition</strong> <em>(Senate)</em></th>
<th><strong>New Senate PCS to H998 H998-CSRBx-40</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>No change</td>
<td>Eliminate earmarks, State proceeds credited to General Fund</td>
<td>Eliminate earmarks, State proceeds credited to General Fund</td>
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<table>
<thead>
<tr>
<th><strong>Scrap tire disposal tax</strong></th>
<th><strong>HB 998, 3rd Edition</strong> <em>(House)</em></th>
<th><strong>HB 998, 4th Edition</strong> <em>(Senate)</em></th>
<th><strong>New Senate PCS to H998 H998-CSRBx-40</strong></th>
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<tbody>
<tr>
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<td>Eliminate earmarks, proceeds credited to General Fund</td>
<td>Eliminate earmarks, State proceeds credited to General Fund</td>
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**TOBACCO DISCOUNTS**

<table>
<thead>
<tr>
<th><strong>2% discount to taxpayers of cigarettes and OTP</strong></th>
<th><strong>HB 998, 3rd Edition</strong> <em>(House)</em></th>
<th><strong>HB 998, 4th Edition</strong> <em>(Senate)</em></th>
<th><strong>New Senate PCS to H998 H998-CSRBx-40</strong></th>
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<tr>
<td>No change</td>
<td>Eliminate, July 2014</td>
<td>Eliminate, July 2014</td>
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<tr>
<td>Revenue Law Study</td>
<td>HB 998, 3rd Edition (House)</td>
<td>HB 998, 4th Edition (Senate)</td>
<td>New Senate PCS to H998 H998-CSRBx-40</td>
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<td>-------------------</td>
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<tr>
<td>Revenue Law Study</td>
<td>N/A</td>
<td>N/A</td>
<td>• The 1$/%$/80 privilege tax that applies to mill machinery and on other machinery and equipment purchased by certain industries and companies.</td>
</tr>
<tr>
<td></td>
<td></td>
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<td>• The feasibility of a preferential tax rate on diesel fuel sold to railroads, fuel sold to passenger air carriers, and fuel sold to motorsports.</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>• The authority of cities and counties to impose a privilege tax on businesses and the various State privilege license taxes.</td>
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<td></td>
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<td></td>
<td>• The impact of the elimination of the State and local sales and use tax refund on nonprofit entities and their ability to fulfill their stated mission.</td>
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<tr>
<td></td>
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<td>• The benefits of allowing corporations to deduct NOLs instead of NELs.</td>
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<td></td>
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<td>• The simplification of the franchise tax base calculation.</td>
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<td>• The feasibility of expanding the sales tax base to additional services.</td>
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<td></td>
<td>FY13-14</td>
<td>FY14-15</td>
<td>FY15-16</td>
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<tr>
<td><strong>Total GF Revenues</strong></td>
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<tr>
<td>Forecast ($ billions)</td>
<td>20.47</td>
<td>21.39</td>
<td>22.31</td>
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<tr>
<td><strong>House Plan</strong></td>
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<tr>
<td></td>
<td>20.51</td>
<td>21.04</td>
<td>21.92</td>
</tr>
<tr>
<td>Difference from</td>
<td>(4.7)</td>
<td>(353.4)</td>
<td>(383.2)</td>
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<tr>
<td>Forecast ($ millions)</td>
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<tr>
<td><strong>Senate Plan</strong></td>
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<tr>
<td>Difference from</td>
<td>(173.8)</td>
<td>(523.2)</td>
<td>(1,108.1)</td>
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<tr>
<td>Forecast ($ millions)</td>
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<tr>
<td><strong>Senate Plan</strong></td>
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<tr>
<td>PCS to H998</td>
<td>20.30</td>
<td>20.91</td>
<td>21.55</td>
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<tr>
<td>Difference from</td>
<td>(168.5)</td>
<td>(480.3)</td>
<td>(757.1)</td>
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<tr>
<td>Forecast ($ millions)</td>
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1 This item includes the estate tax repeal in HB 101.