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FISCAL IMPACT REPORT

SPONSOR: Heaton DATE TYPED: 01/23/01 HB 123
SHORT TITLE: Adjust and Index Tax Bracket Amounts SB _____
ANALYST: Williams

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY01	FY02			
	\$ (38,000.0)	\$ (48,300.0)	Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files
Taxation and Revenue Department

SUMMARY

Synopsis of Bill

This bill would reduce net personal income tax collections. In Section 1, the bill authorizes adjustments in the personal income tax brackets for tax year 2001. A summary of these changes is shown on the attached table. In Section 2, the bill authorizes indexing the tax rate tables for inflation using the consumer price index beginning in tax year 2002.

Significant Issues

The bill would not change personal income tax rates.

FISCAL IMPLICATIONS

According to TRD, recurring revenue loss is estimated at \$38,000.0 in FY02, \$48,300.0 in FY03 and \$60,400.0 in FY04. The package would escalate substantially over time.

ADMINISTRATIVE IMPLICATIONS

TRD anticipates minimal administrative impacts.

AW/njw:lrs