

# Department of Finance and Administration

## Legislative Impact Statement

**Bill:** HB1384                      **Amendment Number:** H1 (3/17/15 Engrossment)  
**Bill Subtitle:** TO REDUCE INCOME TAXES.

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**Basic Change :** Sponsor: Representative Collins

This bill deletes income tax rate language enacted by Act 22 of 2015 and adds new language to decrease the rate for those taxpayers making \$75,000 and above effective tax years on or after January 1, 2016. That portion of taxpayer's income of more than \$75,000 will be taxed at the rate of 6.8% rather than the 6.9% rate previously applicable.

**Revenue Impact :**

FY2016 and FY2017 each of \$19.4M reduction to General Revenue

**Taxpayer Impact :**

Taxpayers will have their income tax liability reduced as a result of this bill.

**Resources Required :**

None

**Time Required :**

Adequate time is provided.

**Procedural Changes :**

Individual income tax brackets and tables will need to be updated. Withholding tables will need to be updated. Tax community will need to be informed.

**Other Comments :**

None

**Legal Analysis :**

Amendment 1 to HB1384 amends § 26-51-201 related to income tax rates and provides that for tax years beginning on and after January 1, 2016, the tax rate for incomes of \$35,1000 and above is reduced from six and nine-tenths percent (6.9%) to six and eight-tenths percent (6.8%).