

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1012

Bill Subtitle: TO AMEND THE STANDARD DEDUCTION FOR INCOME TAX PURPOSES; AND TO INCREASE THE STANDARD DEDUCTION.

Basic Change :

Sponsor: Rep. Ray

HB1012 amends § 26-51-430(b) to increase the individual income tax standard deduction from \$2,200 to \$4,400 per individual taxpayer. The bill also increases the individual income tax standard deduction for married couples from \$2,200 to \$4,400 per spouse. The increased standard deduction is effective for tax years beginning on or after January 1, 2023.

Revenue Impact :

FY2023 – \$29.7 Million General Revenue Reduction

FY2024 – \$59.3 Million General Revenue Reduction

Taxpayer Impact :

A taxpayer that claims the standard deduction will benefit from reduced tax liability.

Resources Required :

Computer programs, tax forms, and instructions will need to be updated.

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

Individual Income Tax forms and instructions will need to be updated. Department employees will need to be educated as well as the tax community.

Other Comments :

None.

Legal Analysis :

None.