

Department of Finance and Administration

Legislative Impact Statement

Bill: SB11

Bill Subtitle: TO AMEND THE STATE INCOME TAX; AND TO REDUCE THE RATE OF TAX LEVIED ON CERTAIN INDIVIDUAL TAXPAYERS.

Basic Change :

Sponsor: Sen. T. Garner

SB11 amends the income tax tables contained in § 26-51-201 for individuals, trusts, and estates. For tax years beginning on or after January 1, 2022, the income tax tables would be as follows:

Lower Income Table

\$0 to \$4,799	0%
\$4,800 to \$9,499	0%
\$9,500 to \$14,299	0%
\$14,300 to \$26,500	0%

Middle Income Table

\$0 to \$9,999	0%
\$10,000 to \$14,299	3.5%
\$14,300 to \$23,599	4.5%
\$23,600 to \$39,699	5%
\$39,700 to \$84,500	5.5%

Upper Income Table

\$0 to \$9,999	0%
\$10,000 +	5.7%

The bill would retain the bracket adjustments in § 26-51-201(10) for individuals with net income of more than \$84,501 but less than \$90,100.

Revenue Impact :

FY 2022 - \$208.75 million General Revenue Reduction

FY 2023 - \$417.5 million General Revenue Reduction

Taxpayer Impact :

Individual Income taxpayers will receive a reduction in their tax liability.

Resources Required :

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

Time Required :

Adequate time is provided for implementation.

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Procedural Changes :

Department employees will need to be educated as well as the tax community.

Other Comments :

None.

Legal Analysis :

None.