

## **List of Individual/Corporate Income Tax Proposals And Requests for Information**

\* This list has been updated after contacting members. Some items have been removed or clarified since the conclusion of the May 10 meeting.

- Net Operating Loss (NOL) (Sen. Hendren)
  - Repeal NOL carryover for steel manufacturers that is at 10 years—change to 20 years for all (Rep. Cavanaugh)
  - Increasing the NOL to 20 years with an unlimited cap (Rep. Dotson)
  - Mirroring federal treatment of NOL at 80% of taxable income and unlimited carry forward (Rep Dotson, Rep Johnson)
- Individual income tax: bracket simplification (Sen. Hendren, Rep. Jean)
  - Brackets: \$0-\$15,000 (0.00%); \$15,001-\$35,000 (2.50%); \$35,001-\$50,000 (4.50%); \$50,001-above (5.75%); (Rep. Cavanaugh)
  - Impact of adjusting individual income tax rate to 5.9% or 5% (Rep. Dotson)
  - Methodology of creating a single rate schedule of 5% or less tax rates (Rep. Dotson)
- Corporate income tax: bracket simplification (Sen. Hendren, Rep. Jean)
  - Brackets: \$0-\$50,000 (3.50%); \$50,001-above (5.75%) (Rep. Cavanaugh)
  - Impact of adjusting top marginal corporate income tax to 5.9% (Rep. Dotson)
- Review of corporate income tax exemptions (Rep. Dotson)
- Earned Income Tax Credit (Sen. Ingram, Rep. Sabin)
- Standard deduction
  - Change standard deduction for individual income tax to \$2,500 (Rep. Cavanaugh)
  - Replace standard deduction with individual exemption—similar to Indiana: \$1,000 for self, \$1,500 per dependent (Rep. Cavanaugh)
  - Mirroring the federal standardized deduction on personal income tax (Rep. Dotson)
- Review of individual income tax exemptions (Rep. Dotson)
- Income tax triggers
  - Income tax reduction to be triggered by revenue growth + factor for inflation along with a % reduction in government spending (Rep. Cavanaugh)
  - Use of RSA for tax triggers (Rep. Jett)
- Repeal/eliminate throwback rule (Rep. Cavanaugh, Rep. Dotson)
- Effects of changing to single-weighted sales approach to apportionment (Rep. Dotson, Sen. Hendren)

- Capital gain (Sen. Hendren), capital gains above \$10 million (Sen. Hester, Rep. Johnson)
- Depreciation deduction
  - Depreciation conformity with federal (Sen. Hendren, Rep. Jett)
  - S179 change to federal (not bonus) (Rep. Johnson)
- Windmill blade manufacturer—how many manufacturers are using these exemptions? (Rep. Cavanaugh)
- Repeal organ donor deduction (Rep. Cavanaugh)
- Repeal parsonage allowance deduction (Rep. Cavanaugh)
- Mutual or cooperative telephone companies—how many telephone companies use this? (Rep. Cavanaugh)
- Church passive investment—how many churches use this? (Rep. Cavanaugh)
- Expensing changes that could occur (Rep. Dotson)
- Electronic games of skill—gambling winnings received from electronic games of skill are not included as income and taxed at a flat rate of 3% rate that is remitted to DFA (code 26-51-1310(f)(1)) (Rep. Ferguson)
- Political contributions (Sen. Hendren)
- Pass through income tax (Rep. Jett)
- Combined reporting (Rep. Sabin)