

Appendix B

\$200 Million Tax Cut Package

Choose from the following proposals that have been voted on by the task force for further study to indicate your priority of tax cuts. Write in the amount to dedicate to the proposal categories of your choice. Total amount may not be greater than a \$200 million impact.

Net Operating Loss (NOL)

NOL to 10 years: \$0 until year 8; \$16.7 M → \$64.8 M at year 16

NOL to 20 years: \$0 until year 6; \$16.7 M → \$158 M at year 35

Repeal steel NOL and all to 20 years: \$0 until year 6; \$16.7 M → \$129 M at year 20

Conform to Federal NOL: \$7 M → \$119 M at year 25

Amount to dedicate towards NOL:

Individual Income Top Rate Reduction

5.00% – \$486 M

5.00% and 0% below \$4,299 – \$497 M

5.75% and 0% below \$15,000 – \$974 M

5.90% – \$225 M

6.00% – \$180 M

Amount to dedicate towards individual income top rate reduction:

Simplification of Individual Income Tax Brackets and Tables

Option A _____

Option B _____

Corporate Income Rate Reduction

\$0-\$50,000 (3.5%); \$50,001+ (5.75%) – \$53 M

5.90% – \$39 M

Amount to dedicate towards corporate income rate reduction:

Earned Income Tax Credit (EITC)

5% of the federal EITC – \$40 M

10% of the federal EITC – \$77.7 M

Amount to dedicate towards EITC:

(Continued on the next page)

Standard Deduction

Raise to \$2,500 – \$7.7 M

Replace with an exemption (itemized deductions still allowed) – \$4.6 M

Adopt federal (Tax Cuts and Jobs Act) – \$257.7-333.7 M

Amount to dedicate towards standard deduction:

Throwback Rule and Apportionment-Single Sales Factor

(these have been paired for a net revenue impact of \$15.7 M)

Throwback rule – \$24.5 M impact

Apportionment – single sales factor – \$8.8 M increase

Amount to dedicate to throwback rule and apportionment:

Total amount to dedicate to a tax cut package:

(Cannot exceed \$200 million)