

Tax Package



Commission on the
21ST Century Economy

Personal Income Tax (PIT)

- Simplified Rate Structure (two brackets) - OK
- Standard Deduction – HOW MUCH?
- Itemized Deductions for mortgage interest, charitable giving, property taxes – AGREE

Note: a condition to the proposal regarding PIT is that all AGI brackets, as shown in our last presentation, will receive a reduction in taxes. If this objective cannot be achieved with two brackets, consideration will be given to other alternative structures

Eliminate Corporate Tax - OK IF REVENUE FROM BNRT IS ENOUGH TO HELP PROVIDE A BALANCED BUDGET BUT BASED ON WHAT YEAR, POPULATION AND INFLATION FIGURES?

Establish Business Net Receipts Tax (BNRT) AWAITING WORKSHOP DISCUSSIONS

Eliminate State General Fund Sales Tax – IF POSSIBLE WITH SAME COMMENT AS IN ELIMINATION OF CORPORATE TAX

Note: if we do not recommend the BNRT, we will consider a recommendation to extend the State General Sales Tax to services

Tax Package (Continued)



Commission on the
21ST Century Economy

Fuel Tax – 18 cents/gallon on Transportation Fuels - YES

**Split Roll Property Tax for Non-Residential Property – ONLY IF
PHASED IN TO ACCOMMODATE ASSESSORS WORKLOAD**

Royalty on Expanded Oil Drilling – NEED MORE INFORMATION

**Establishment of a Reserve or “Rainy Day” Fund – ABSOLUTELY
BUT THERE ARE ALREADY 2 FUNDS SO DEDICATED. NEED
TO BE IN CONSTITUTION TO BE SACRED**

Note: the Recommendation would include dedication of these funds to the General Fund only.

**Establishment of a New Tax Dispute Resolution Forum – YES, IF
FTB AND BOE RESPONSIBILITIES ARE MERGED INTO ONE
BOARD.**