

HB 1252 -- TAX TRIGGERS

SPONSOR: Davidson

This bill creates the "Tax Reform Fund".

Beginning July 1, 2023, if the amount of net general revenue collected exceeds the anticipated general fund revenue collections for a fiscal year by \$50 million or more, such surplus shall be deposited into the Tax Reform Fund, not to exceed \$200 million.

Beginning with the 2024 calendar year, if the Tax Reform Fund reaches and maintains a balance of \$200 million a personal income tax decrease and sales and use tax increase shall be triggered, and shall take effect on January 1 of the calendar year immediately following the close of the fiscal year in which a \$20 million surplus amount was realized. For the income tax decrease, the rate of each tax bracket may be reduced by 0.15% and continue in effect until the next reduction occurs.

All state sales and use taxes will increase by 0.1% .

If the state experiences a budgetary shortfall following the implementation of the personal income tax decrease and sales and use tax increase triggers, the Tax Reform Fund shall be used to supplement areas of necessary funding, subject to appropriation.