



Recommendations Will be Divided Into Two Sections:

Section 1:

- o Recommendations of statutory tax law changes (revenue related) that can be acted on by the State Legislature immediately and are hopefully endorsed unanimously by the Commissioners.

Section 2:

- o Recommendations of tax law changes (revenue related) that can be enacted by changes in the State Constitution or by the State initiative process and hopefully are endorsed unanimously by the Commissioners.
- o In addition, the Commission, hopefully unanimously, will identify areas of reform (non-revenue related) that need to be considered by others outside the context of the Commission to achieve comprehensive fiscal reform.

Tax Package



Commission on the 21ST Century Economy

Personal Income Tax (PIT)

- **Simplified Rate Structure (two brackets)**
- **Standard Deduction**
- **Itemized Deductions for mortgage interest, charitable giving, property taxes**

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

Establish Business Net Receipts Tax (BNRT)

Eliminate State General Fund Sales 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

Split Roll Property Tax for Non-Residential Property

Royalty on Expanded Oil Drilling

Establishment of a Reserve or “Rainy Day” Fund

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

Establishment of a New Tax Dispute Resolution Forum