

Fiscal Estimate Narratives

DOR 2/6/2024

LRB Number	23-5624/1	Introduction Number	AB-1022	Estimate Type	Original
Description the married persons credit					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, married persons filing a joint income tax return may claim an income tax credit equal to 3 percent of the earned income for a taxable year of the spouse with the lower earned income, up to a maximum credit of \$480. This bill increases the maximum credit amount to \$870.

Based on a simulation using 2019 income tax data, adjusted to reflect 2024 income levels and law, the bill will reduce revenue by approximately \$169 million in fiscal year 2025 and \$161 million annually thereafter.

According to the American Rescue Plan Act (ARPA) Net Tax Reduction Calculation Update memo released by the Department of Administration on 8/28/2023, the remaining margin for tax reductions before triggering potential SLFRF recoupment at \$97.0 million for fiscal year 2024 and \$326.6 million for fiscal year 2025. This bill would reduce these margins.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2023 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-5624/1	Introduction Number AB-1022	
Description the married persons credit		
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):		
II. Annualized Costs:		
	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$	\$
(FTE Position Changes)		
State Operations - Other Costs		
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$
GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS	\$	\$
NET CHANGE IN REVENUE	\$See Text	\$
Agency/Prepared By		Authorized Signature
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		Date
		2/6/2024