



Legislative
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HB 20-1176

FISCAL NOTE

Drafting Number:	LLS 20-0827	Date:	February 3, 2020
Prime Sponsors:	Rep. Valdez D. Sen. Tate	Bill Status:	House SVMA
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Bill Topic: **INCOME TAX STATUTE MODIFICATIONS TO ADDRESS DEFECTS**

Summary of Fiscal Impact: **No fiscal impact.** This bill repeals obsolete income tax provisions and updates statute to correct defects. It is assessed as having no fiscal impact.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill recommended by the Statutory Revision Committee.

Summary of Legislation

The bill repeals obsolete income tax provisions and updates statute to correct defects. It:

- repeals an income tax deduction for up to \$20,000 in interest earned on investments issued by qualified financial institutions pursuant to a statute that was repealed in 2004;
- repeals income tax deductions to correct for a difference between the federal standard deduction amounts, sometimes called the "marriage penalty," that existed prior to 2003;
- repeals an income tax credit for estate taxes paid on the transfer of agricultural land, which is effectively obsolete because the state estate tax has not applied to the estates of individuals who passed away after December 31, 2004; and
- corrects defective statutory references.

Assessment of No Fiscal Impact

The bill repeals an income tax credit and income tax deductions that are no longer applicable to any taxpayer. To the extent that the defective statutes that this bill corrects could be interpreted to require a different administration of income taxes, this bill codifies current practice. Therefore, it is assessed as having no impact on state revenue or expenditures.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Revenue