



FOUR-YEAR REVENUE ESTIMATE: FY 2015 – FY 2018

RECOMMENDATIONS	Revenue Impact (in millions)			
	FY 2015	FY 2016	FY 2017	FY 2018
Sales Tax				
1 Expand the sales tax to eight new services (construction services, barbers and beauticians, health clubs and tanning studios, water consumption at home, bowling alleys and billiard parlors, storage of household goods/mini storage, carpet and upholstery cleaning, and car washes)	\$28.2	\$29.3	\$30.4	\$31.5
2 Add use tax line to personal income tax return for mail order or online purchases	1.0	\$1.0	\$1.1	\$1.1
3 Unify taxation of tobacco products (tax all tobacco products at approximately 80%)	7.0	6.9	6.8	6.6
4 Increase the general sales tax rate from 5.75% to 6%	20.5	21.3	22.1	23.0
Individual Income Tax				
5 Create a middle-class tax bracket, increase the standard deduction/personal exemptions, expand the EITC for childless workers, and other reforms	(116.9)	(110.9)	(116.7)	(119.9)
Estate Tax				
6 Raise threshold to \$5.25 million (federal level) from \$1 million	(13.9)	(13.9)	(13.9)	(13.9)
Business Taxes				
7 Reduce Business Franchise Tax/Unincorporated Business Franchise Tax rate from 9.975% to 8.25%	(57.0)	(59.9)	(62.6)	(65.4)
8 Exempt passive investment vehicles from Unincorporated Business Franchise Tax	(4.4)	(4.4)	(4.4)	(4.4)
9 Apportion national business pre-tax income using single weighted sales formula	20.0	21.0	22.0	22.9
10 Levy a local services fee on all non-government employers at \$25/employee per quarter	45.0	45.5	45.9	46.2
Total Revenue Increase (all black numbers)	121.7	125.0	128.3	131.4
Total Tax Relief (all red numbers)	(192.2)	(189.1)	(197.6)	(203.6)
Total Net Package	(70.5)	(64.1)	(69.3)	(72.2)
Current Funding for Commission Recommendations (\$18 million per year)	36.0	18.0	18.0	18.0
Need for Future General Fund Revenue	(34.5)	(46.1)	(51.3)	(54.2)

*Includes FY 2014 and FY 2015 funding of \$18 million per year