

BILL SUMMARY
2nd Session of the 59th Legislature

Bill No.:	HB2949
Version:	CS
Request Number:	10408
Author:	Speaker McCall
Date:	3/12/2024
Impact:	Please see previous summary of this measure

Research Analysis

The committee substitute for HB2949 replaces the bracket system for personal income tax with a 4.4 percent flat tax, applicable to income above \$10,000 for single filers or \$20,000 for joint filers and heads of households.

The measure also establishes revenue triggers to allow the personal income tax rate to be lowered in future years. The tax rate may decrease by 0.233333 every year that the cumulative revenue growth is equal to or greater than \$400 million. When the sixth rate reduction has taken place and the tax rate is 3.0 percent, the rate may be reduced further by 0.3 each year until the rate is zero and personal income tax is completely phased out after 10 years.

The measure also establishes a \$1 per megawatt-hour tax on electricity produced by renewable power businesses and outlines the reporting requirements for remitting taxes and reporting on electricity production. Tax remittance is due monthly, whereas the electricity production report is required annually.

Collections from the renewable electricity production tax will be deposited into the General Revenue Fund.

Prepared By: Quyen Do

Fiscal Analysis

The measure is currently under review and impact information will be completed.

Prepared By: House Fiscal Staff

Other Considerations

None.