

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Appropriations.

HB24-1134 be amended as follows:

1 Amend printed bill, page 6, line 19, strike "(2)(d)(I)," and substitute
2 "(2)(d)," and strike "(2.5)(e)(I)," and substitute "(2.5)(e)."

3 Page 6, strike line 20 and substitute "(2.7)(b)(I), and (2.7)(c);".

4 Page 6, line 21, after "(2.8)(c)" insert "and (3.5)".

5 Page 7, strike lines 12 and 13 and substitute "(d) (I) ~~For the income tax~~
6 ~~year commencing on January 1, 2024~~, A resident individual who claims
7 an earned income tax".

8 Page 7, strike lines 16 and 17 and substitute "~~thirty-eight percent of the~~
9 ~~federal credit that the resident individual claimed on his or her federal tax~~
10 ~~return for the same year~~. THE AMOUNT SET FORTH IN SUBSECTION
11 (2)(d)(II) OF THIS SECTION."

12 Page 7, line 19, after "2034." insert "EXCEPT AS OTHERWISE PROVIDED IN
13 SUBSECTION (3.5) OF THIS SECTION, THE CREDIT AMOUNT THAT CAN BE
14 CLAIMED PURSUANT TO SUBSECTION (2)(d)(I) OF THIS SECTION IS:

15 (A) FOR THE INCOME TAX YEAR COMMENCING ON JANUARY 1,
16 2024, FIFTY PERCENT OF THE FEDERAL CREDIT THAT THE RESIDENT
17 INDIVIDUAL CLAIMED ON THE RESIDENT INDIVIDUAL'S FEDERAL TAX
18 RETURN FOR THE SAME TAX YEAR;

19 (B) FOR THE INCOME TAX YEAR COMMENCING ON JANUARY 1,
20 2025, THIRTY-FIVE PERCENT OF THE FEDERAL CREDIT THAT THE RESIDENT
21 INDIVIDUAL CLAIMED ON THE RESIDENT INDIVIDUAL'S FEDERAL TAX
22 RETURN FOR THE SAME TAX YEAR; AND

23 (C) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
24 1, 2026, THIRTY PERCENT OF THE FEDERAL CREDIT THAT THE RESIDENT
25 INDIVIDUAL CLAIMED ON THE RESIDENT INDIVIDUAL'S FEDERAL TAX
26 RETURN FOR THE SAME TAX YEAR."

27 Page 8, strike lines 13 and 14 and substitute

28 "(e) (I) ~~For the income tax year commencing on January 1, 2024~~,
29 A resident individual is allowed an earned income tax".

30 Page 8, line 16, strike "FIFTY percent" and substitute "~~percent~~ THE
31 PERCENTAGE SET FORTH IN SUBSECTION (2.5)(e)(II) OF THIS SECTION".

32 Page 8, line 22, after "2034." insert "EXCEPT AS OTHERWISE PROVIDED IN

1 SUBSECTION (3.5) OF THIS SECTION, THE PERCENTAGE USED TO CALCULATE
2 THE AMOUNT OF CREDIT THAT CAN BE CLAIMED PURSUANT TO SUBSECTION
3 (2.5)(d)(I) OF THIS SECTION IS:

4 (A) FOR THE INCOME TAX YEAR COMMENCING ON JANUARY 1,
5 2024, FIFTY PERCENT;

6 (B) FOR THE INCOME TAX YEAR COMMENCING ON JANUARY 1,
7 2025, THIRTY-FIVE PERCENT; AND

8 (C) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
9 1, 2026, THIRTY PERCENT."

10 Page 9, strike lines 16 and 17 and substitute:

11 "~~(c) (I) For the income tax year commencing on January 1, 2024,~~
12 A resident individual is allowed an earned income tax".

13 Page 9, line 19, strike "FIFTY percent" and substitute "~~percent~~ THE
14 PERCENTAGE SET FORTH IN SUBSECTION (2.7)(c)(II) OF THIS SECTION".

15 Page 9, line 25, after "~~2034:~~" insert "EXCEPT AS OTHERWISE PROVIDED IN
16 SUBSECTION (3.5) OF THIS SECTION, THE PERCENTAGE USED TO CALCULATE
17 THE AMOUNT OF CREDIT THAT CAN BE CLAIMED PURSUANT TO SUBSECTION
18 (2.7)(c)(I) OF THIS SECTION IS:

19 (A) FOR THE INCOME TAX YEAR COMMENCING ON JANUARY 1,
20 2024, FIFTY PERCENT;

21 (B) FOR THE INCOME TAX YEAR COMMENCING ON JANUARY 1,
22 2025, THIRTY-FIVE PERCENT; AND

23 (C) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
24 1, 2026, THIRTY PERCENT."

25 Page 9, after line 27, insert:

26 "(3.5) (a) AS USED IN THIS SUBSECTION (3.5), UNLESS THE
27 CONTEXT OTHERWISE REQUIRES:

28 (I) "APPLICABLE STATE FISCAL YEAR" MEANS THE FISCAL YEAR
29 THAT BEGINS IN THE INCOME TAX YEAR FOR WHICH THE CREDIT IS
30 ALLOWED.

31 (II) "BV" MEANS THE AMOUNT OF THE STATE'S NONEXEMPT
32 REVENUE FOR STATE FISCAL YEAR 2024-25.

33 (III) "CAGR" MEANS THE ESTIMATED COMPOUND ANNUAL
34 GROWTH RATE.

35 (IV) "ESTIMATED ADJUSTMENT FACTOR" MEANS FOR A GIVEN
36 INCOME TAX YEAR, THE CAGR FOR NONEXEMPT REVENUE THAT IS
37 CALCULATED BY THE EXECUTIVE DIRECTOR ACCORDING TO THE
38 FOLLOWING FORMULA:

1
$$\text{CAGR} = \left(\left(\frac{\text{EV}}{\text{BV}} \right)^{1/n} - 1 \right) \times 100$$

2 (V) "EV" MEANS THE ESTIMATE OF THE STATE'S NONEXEMPT
3 REVENUE FOR THE APPLICABLE STATE FISCAL YEAR INCLUDED IN THE
4 ECONOMIC AND REVENUE FORECAST PREPARED BY LEGISLATIVE COUNCIL
5 STAFF IN THE DECEMBER IMMEDIATELY PRECEDING THE APPLICABLE
6 STATE FISCAL YEAR.

7 (VI) "N" MEANS, FOR THE APPLICABLE STATE FISCAL YEAR, THE
8 NUMBER OF STATE FISCAL YEARS THAT HAVE PASSED SINCE THE 2024-25
9 STATE FISCAL YEAR.

10 (VII) "NONEXEMPT REVENUE" MEANS, FOR THE APPLICABLE STATE
11 FISCAL YEAR, THE REVENUES THAT ARE IDENTIFIED AS NONEXEMPT
12 REVENUES IN THE ANNUAL COMPREHENSIVE FINANCIAL REPORT PUBLISHED
13 BY THE OFFICE OF THE STATE CONTROLLER IN ACCORDANCE WITH SECTION
14 24-77-106.5.

15 (b) (I) FOR THE INCOME TAX YEAR COMMENCING ON JANUARY 1,
16 2025, THE PERCENTAGE OF THE FEDERAL EARNED INCOME TAX CREDIT
17 THAT THE RESIDENTIAL INDIVIDUAL CLAIMED OR COULD HAVE CLAIMED
18 THAT IS USED TO CALCULATE THE AMOUNT OF EARNED INCOME TAX
19 CREDIT ALLOWED PURSUANT TO SUBSECTIONS (2)(d), (2.5)(e), AND
20 (2.7)(c) IS INCREASED BY FIFTEEN PERCENTAGE POINTS IF THE ESTIMATED
21 ADJUSTMENT FACTOR IS EQUAL TO OR GREATER THAN TWO PERCENT.

22 (II) THIS SUBSECTION (3.5)(b) IS REPEALED, EFFECTIVE DECEMBER
23 31, 2035.

24 (c) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
25 1, 2026, THE PERCENTAGE OF THE FEDERAL EARNED INCOME TAX CREDIT
26 THAT THE RESIDENTIAL INDIVIDUAL CLAIMED OR COULD HAVE CLAIMED
27 THAT IS USED TO CALCULATE THE AMOUNT OF EARNED INCOME TAX
28 CREDIT ALLOWED PURSUANT TO SUBSECTIONS (2)(d), (2.5)(e), AND
29 (2.7)(c) IS INCREASED IF THE ESTIMATED ADJUSTMENT FACTOR IS:

30 (A) EQUAL TO OR GREATER THAN THREE PERCENT BUT LESS THAN
31 THREE AND TWENTY-FIVE HUNDREDTHS PERCENT, BY FIVE PERCENTAGE
32 POINTS;

33 (B) EQUAL TO OR GREATER THAN THREE AND TWENTY-FIVE
34 HUNDREDTHS PERCENT BUT LESS THAN THREE AND ONE-HALF PERCENT
35 PERCENT, BY TEN PERCENTAGE POINTS; AND

36 (C) EQUAL TO OR GREATER THAN THREE AND ONE-HALF PERCENT
37 BUT LESS THAN THREE AND SEVENTY-FIVE HUNDREDTHS PERCENT, BY
38 FIFTEEN PERCENTAGE POINTS; AND

39 (D) EQUAL TO OR GREATER THAN THREE AND SEVENTY-FIVE
40 HUNDREDTHS PERCENT, BY TWENTY PERCENTAGE POINTS."

41 Page 18, line 12, after "INCOME." insert "IN THE CASE OF A PARTNERSHIP
42 THAT IS UNITARY WITH THE PARTNER, RECEIPTS FROM INTERCOMPANY
43 TRANSACTIONS BETWEEN THE PARTNERSHIP AND THE PARTNER, OR ANY

1 OTHER MEMBER OF THE COMBINED GROUP, ARE EXCLUDED FROM THE
2 NUMERATOR AND DENOMINATOR OF THE APPORTIONMENT CALCULATION
3 AS FOLLOWS: RECEIPTS FROM SALES BY THE PARTNER, OR ANY MEMBER OF
4 THE PARTNER'S COMBINED GROUP, TO THE PARTNERSHIP TO THE EXTENT
5 OF THE PARTNER'S INTEREST IN THE PARTNERSHIP; AND RECEIPTS FROM
6 SALES BY THE PARTNERSHIP TO THE PARTNER, OR ANY MEMBER OF THE
7 PARTNER'S COMBINED GROUP, NOT TO EXCEED THE PARTNER'S INTEREST
8 IN ALL PARTNERSHIP SALES."

9 Page 18, line 16, strike "ADOPT" and substitute "PROMULGATE".

** ** ** ** **