

**REVENUE ESTIMATING CONFERENCE**

**TAX: INTANGIBLE TAX BD**

**ISSUE:** Repeal

**BILL NUMBER(S):** HB963

**SPONSOR(S):** Reps. Brummer, Kottkamp, Sansom

**MONTH/YEAR COLLECTION IMPACT BEGINS:** 1/1/2006

**DATE OF ANALYSIS:** April 20, 2005

**SECTION 1: NARRATIVE**

**a. Current Law:** 1 mill for all filers with \$60.00 minimum payment. Individual and business filers have \$250k exemption joint filers have \$500,000 exemption.

**b. Proposed Change:** The tax is repealed effective 1/1/ 2006

**SECTION 2: DESCRIPTION OF DATA AND SOURCES**

DOR 2002 intangible tax data

**SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)**

PLEASE SEE THE ATTACHED SPREADSHEET.

**SECTION 4: PROPOSED FISCAL IMPACT**

State Impact—All Funds	FY 2005-06 Annualized	FY 2005-06 Cash	FY 2006-07 Cash
Government leasehold	-\$1.2m	0	-\$1.2m
Middle	-\$304.9m	-\$245.2m	-\$308.8m

**SECTION 5: CONSENSUS ESTIMATE (ADOPTED 4/22 /05 )** The conference adopted the proposed estimate.

	FY 2005-06 Annualized	FY 2005-06 Cash	FY 2006-07 Cash
General Revenue	(304.9)	(245.2)	(308.8)
Total State Impact	(304.9)	(245.2)	(308.8)
Total Local Impact	(1.2)	0	(1.2)
Total Impact	(306.1)	(245.2)	(310.0)

Intangibles Tax--repeal--HB963

18-Apr-05

file: 05yc0014.xls repeal the intangible BD in two year, the first year reduce to 0.5m  
 2002 intangible data returns 20k/40k 1m \$60 excl bnk\*ins, no more AR

FY 2002				impact		impact
individuals	# returns	taxable asset	total tax due	2005-2006	2005-2006	# returns
20k/1m/\$60	225,213	\$119,566,954,282	\$119,566,954			
250k/1m/\$60	90,493	\$78,671,327,333	\$78,671,327	\$92,962,077	current law	
250k/0.5m/\$60	75,637	\$77,351,019,025	\$38,675,510	\$45,700,967	-\$47,261,111	-14,856
joint filers						
40k/1m/\$60	250,894	\$177,571,038,174	\$177,571,038			
500k/1m/\$60	73,458	\$105,670,060,946	\$105,670,061	\$124,865,167	current law	
500k/0.5m/\$60	66,162	\$105,018,801,658	\$52,509,401	\$62,047,803	-\$62,817,364	-7,296
business						
1m/\$60	141,768	\$99,764,915,922	\$99,764,916			
250k/1m/\$60	51,945	\$73,687,351,487	\$73,687,351	\$87,072,756	current law	
250k/0.5m/\$60	44,660	\$73,041,675,900	\$36,520,838	\$43,154,896	-\$43,917,860	-7,285
FY 2002 total	617,875	\$396,902,908,378	\$396,902,908			
current law total	215,896	\$258,028,739,766	\$258,028,740	\$304,900,000		
			FY 06 0.5m	\$150,903,666	-\$153,996,334	-29,437
			80.41%	\$121,341,880		
rec 4/2005						
rec 1997-98		\$993,676,092	250k/500k/0.5m			
rec 1998-99	-1.79%	\$975,847,364	FY 2005-06: annualized		-\$304,900,000	
rec 1999-2000	-19.58%	\$784,749,938	FY 2006 cash	80.41%	-\$123,828,453	Phaseout first year
rec 2000-01	-38.90%	\$479,500,000				
rec 2001-02	-6.05%	\$450,500,000	repeal			
rec 2002-03	-18.69%	\$366,300,000	FY 2006-07		-\$279,238,214	Phaseout second year
rec 2003-04	-29.68%	\$257,600,000	note: \$275.1m - \$17.5m			
rec 2004-05	14.29%	\$294,400,000				
rec 2005-06	3.57%	\$304,900,000				
rec 2006-07	1.28%	\$308,800,000				

End of year shifting

	\$17,853,549
FY 2004	\$275,100,000
%	6.49%

repeal in 1/1/2006

FY 2005-2006		-\$304,900,000
FY 2006 cash	80.41%	-\$245,170,090
FY 2007		-\$308,800,000
Government leasehold		
FY 2005-2006		\$1,200,000
FY 2006 cash		\$0
FY 2007		\$1,200,000