



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1059

PRINTERS NO. 2658

PRIME SPONSOR: Hickernell

REVENUE INCREASE / (DECREASE)

FUND	FY 2021/22	FY 2022/23
General Fund	\$0	(\$10,700,000)

SUMMARY: House Bill, 1059, Printer's number 2658, amends the Tax Reform Code further providing for declarations of estimated tax in personal income tax.

ANALYSIS: This legislation provides a phase-in schedule for increasing the threshold for making required quarterly estimated payments under the personal income tax (PIT) from \$8,000 to \$20,000, with an annual increase of \$500 thereafter, as follows:

Tax Year 2023	\$9,500
Tax Year 2024	\$11,000
Tax Year 2025	\$14,000
Tax Year 2026	\$17,000
Tax Year 2027	\$20,000
Tax Years 2028 and thereafter	\$500 increase annually.

The act shall take effect immediately.

FISCAL IMPACT: Increasing the PIT quarterly estimated payment threshold will impact the cash flow to the General Fund as taxpayers currently making required estimated payments, who have income at or below the new higher thresholds, will no longer be required to make estimated payments during the tax year and will make one final payment by April 15 of the succeeding tax year. By providing a phase-in schedule, this legislation reduces the immediate cash flow impact to the General Fund and spreads the impact over the next 5 fiscal years. The Department of Revenue estimates that adoption of this amendment will result in a loss of revenue to the General Fund of \$10.7 million in fiscal year 2022-23.

PREPARED BY: Ritchie LaFaver
House Appropriations Committee (R)

DATE: January 25, 2022

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.