

SB 155 STAFF MEASURE SUMMARY

Senate Committee On Finance and Revenue

Action Date: 03/29/23

Action: Do pass and refer to Tax Expenditures by prior reference.

Vote: 5-0-0-0

Yeas: 5 - Boquist, Findley, Golden, Jama, Meek

Fiscal: No fiscal impact

Revenue: Revenue impact issued

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Meeting Dates: 2/13, 2/28, 3/13, 3/29

WHAT THE MEASURE DOES:

Adjusts the sunset dates for nine income tax credits. Six credits are extended two years; three tax credits are extended four years.

- The sunsets for the Cultural Trust contribution, political contribution, and volunteer rural EMT tax credits are moved from January 1, 2026 to January 1, 2028. (Sections 1-3)
- The sunsets for the employer-provided scholarship, contribution to 529 or ABLE (Achieving a Better Life) accounts, and short-line railroad tax credits are moved from January 1, 2026 to January 1, 2030. (Sections 4-6)
- The sunsets for the reservation enterprise zone, Public University Development Fund contribution, and Individual Development Account contribution tax credits are moved from January 1, 2028 to January 1, 2030. (Section 7-9)

ISSUES DISCUSSED:

- History of the sunset process
- Need to balance impacts across biennia
- Interaction with Ways & Means process

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The 2009 Legislature organized income tax credits into three policy groupings and established a series of staggered sunset dates. The original sunset dates were January 1 of 2012, 2014, and 2016. The intent was to conduct tax credit analyses such that roughly one-third of the tax credits would be reviewed by the Legislature each long (odd-year) session. Consequently, over a rolling six year schedule all tax credits would be subject to review. Also, a default extension period of six years was established for newly created tax credits.