

**SB 1549 STAFF MEASURE SUMMARY**

**Senate Committee On Finance and Revenue**

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**Prepared By:** Kyle Easton, Senior Economist

**Meeting Dates:** 2/11

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**WHAT THE MEASURE DOES:**

Increases the maximum allowable personal income tax credit available to taxpayers making voluntary political contributions. Credit limits are increased from \$50 to \$1,000 for a single filer, and from \$100 to \$2,000 for a taxpayer filing a joint return. Applies to tax years 2026 and 2027. Takes effect on the 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

The political contributions tax credit provides a non-refundable personal income tax credit for voluntary contributions in money made to a major or minor political party, candidate for federal, state or local elective office, or a political action committee. Under current law, the amount of the credit allowed is equal to the lesser of the total contribution not to exceed \$100 for a joint return or \$50 for all other return types, or the tax liability of the taxpayer. The credit limits were last increased in 1987 when they were increased to \$50 and \$100 from \$25 and \$50. The original credit limits on enactment in 1969 were a max of \$5 or \$10. Taxpayers with adjusted gross incomes greater than \$150,000 (joint return) or \$75,000 (single) may not claim the credit. Taxpayers are required to keep, as part of their personal tax records, receipts from the candidate or organization to which the donation was made. The tax credit is scheduled to sunset following the 2027 tax year.