

House BILL NO. 209
Cobb

INTRODUCED BY _____

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A MINIMUM STANDARD DEDUCTION OF \$1,590, OR \$3,180 FOR A JOINT RETURN OR FOR A HEAD OF HOUSEHOLD RETURN, ADJUSTED TO THE 1980 INFLATION FACTOR; AMENDING SECTIONS 15-30-122 AND 15-30-142, MCA; AND PROVIDING AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-30-122, MCA, is amended to read:

"15-30-122. Standard deduction. (1) A standard deduction equal to 20% of adjusted gross income ~~shall be~~ is allowed if elected by the taxpayer on ~~his~~ a return. The standard deduction ~~shall be~~ is in lieu of all deductions allowed under 15-30-121. The minimum standard deduction is \$860, and the maximum standard deduction ~~shall be~~ is \$1,500, as adjusted under the provisions of subsection (2), except that in the case of a single joint return of husband and wife or in the case of a single individual who qualifies to file as a head of household on ~~his~~ the federal income tax return, the minimum standard deduction is \$1,720 and the maximum standard deduction ~~shall be~~ is \$3,000, as adjusted under the provisions of subsection (2). The standard deduction ~~shall~~ may not be allowed to either the husband or the wife if the tax of one of the spouses is determined without regard to the standard deduction. For purposes of this section, the determination of whether an individual is married ~~shall~~ must be made as of the last day of the ~~taxable tax~~ tax year; ~~provided, however, if~~ unless one of the spouses dies during the ~~taxable tax~~ tax year, in which case the determination ~~shall~~ must be made as of the date of death.

(2) By November 1 of each year, the department shall multiply the maximum standard deduction for single returns by the inflation factor for that ~~taxable tax~~ tax year and round the product to the nearest \$10. The standard deduction for joint returns and qualified head of household returns ~~shall~~ must be twice the amount for single returns. The resulting adjusted deductions are effective for that ~~taxable tax~~ tax year and ~~shall~~ must be used in calculating the tax imposed in 15-30-103."

Section 2. Section 15-30-142, MCA, is amended to read:



HB 209
INTRODUCED BILL

1 **"15-30-142. Returns and payment of tax -- penalty and interest -- refunds -- credits.** (1) ~~Every~~ Each
 2 single individual and ~~every each~~ married individual not filing a joint return with ~~his or her~~ a spouse and
 3 having a gross income for the ~~taxable tax~~ year of more than ~~\$1,000~~ \$1,500, as adjusted under the
 4 provisions of subsection (7), and married individuals not filing separate returns and having a combined gross
 5 income for the ~~taxable tax~~ year of more than ~~\$2,000~~ \$3,000, as adjusted under the provisions of
 6 subsection (7), ~~shall be~~ are liable for a return to be filed on ~~such~~ forms and according to ~~such~~ rules as that
 7 the department may prescribe. The gross income amounts referred to in the preceding sentence ~~shall~~ must
 8 be increased by \$800, as adjusted under the provisions of 15-30-112(6), for each additional personal
 9 exemption allowance that the taxpayer is entitled to claim for ~~himself~~ the taxpayer and ~~his~~ the taxpayer's
 10 spouse under 15-30-112(3) and (4). A nonresident shall ~~be required to~~ file a return if his gross income for
 11 ~~the taxable year derived from sources within Montana exceeds the amount of the exemption deduction he~~
 12 ~~is entitled to claim for himself and his spouse under the provisions of 15-30-112(2), (3), and (4), based~~
 13 upon Montana income, as is required of Montana residents.

14 (2) In accordance with instructions set forth by the department, ~~every~~ each taxpayer who is
 15 married and living with husband or wife and is required to file a return may, at ~~his or her~~ the taxpayer's
 16 option, file a joint return with husband or wife even though one of the spouses has neither gross income
 17 nor deductions. If a joint return is made, the tax ~~shall~~ must be computed on the aggregate taxable income
 18 and the liability with respect to the tax ~~shall be~~ is joint and several. If a joint return has been filed for a
 19 ~~taxable tax~~ year, the spouses may not file separate returns after the time for filing the return of either has
 20 expired unless the department ~~se~~ consents.

21 (3) If ~~any such~~ a taxpayer is unable to make ~~his~~ the taxpayer's own return, the return ~~shall~~ must
 22 be made by ~~a duly~~ an authorized agent or by a guardian or other person charged with the care of the person
 23 or property of ~~such~~ the taxpayer.

24 (4) All taxpayers, including but not limited to those subject to the provisions of 15-30-202 and
 25 15-30-241, shall compute the amount of income tax payable and shall, at the time of filing the return
 26 required by this chapter, pay to the department any balance of income tax remaining unpaid after crediting
 27 the amount withheld, as provided by 15-30-202, ~~and/or~~ and any payment made by reason of an estimated
 28 tax return provided for in 15-30-241, ~~provided, however~~ However, the tax ~~se~~ computed is must be greater
 29 by \$1 than the amount withheld ~~and/or~~ and paid by estimated return as provided in this chapter. If the
 30 amount of tax withheld ~~and/or~~ and the payment of estimated tax ~~exceeds~~ exceed by more than \$1 the

1 amount of income tax as computed, the taxpayer ~~shall be~~ is entitled to a refund of the excess.

2 (5) As soon as practicable after the return is filed, the department shall examine and verify the tax.

3 (6) If the amount of tax as verified is greater than the amount ~~thereof~~ paid, the excess ~~shall~~
4 must be paid by the taxpayer to the department within 60 days after notice of the amount of the tax as
5 computed, with interest added at the rate of 9% ~~per annum~~ a year or fraction ~~thereof~~ of a year on the
6 additional tax. In ~~such that~~ case, there ~~shall~~ may not be ~~no~~ a penalty because of ~~such the~~ understatement,
7 ~~provided~~ if the deficiency is paid within 60 days after the first notice of the amount is mailed to the
8 taxpayer.

9 (7) By November 1 of each year, the department shall multiply the minimum amount of gross
10 income necessitating the filing of a return by the inflation factor for the ~~taxable tax~~ year. These adjusted
11 amounts are effective for that ~~taxable tax~~ year, and persons ~~having~~ who have gross incomes less than
12 these adjusted amounts are not required to file a return.

13 (8) Individual income tax forms distributed by the department for each ~~taxable tax~~ year must
14 contain instructions and tables based on the adjusted base year structure for that ~~taxable tax~~ year."

15

16 NEW SECTION. Section 3. Applicability. [This act] applies to tax years beginning after December
17 31, 1995.

18

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0209, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act providing a minimum standard deduction of \$1,590, or \$3,180 for a joint return or for a head of household return, adjusted to the 1980 inflation factor; and providing an applicability date.

ASSUMPTIONS:

1. This bill is first applicable to tax year 1996.
2. Under current law there is no minimum standard deduction; in tax year 1996 the minimum standard deduction for married couples filing jointly and for head of households would be \$3,300. The minimum standard deduction for all other filers would be \$1,650.
3. Providing the minimum standard deduction in assumption 2 reduces tax year 1996 liabilities for all filers by \$1,100,000; this translates into a revenue loss of a like amount for fiscal year 1997. There is no revenue impact in fiscal year 1996.
4. Providing the minimum standard deduction in assumption 2 reduces tax liability from a positive amount to zero for approximately 14,341 households in tax year 1996 (DOR computer simulation model).

FISCAL IMPACT:

Expenditures:

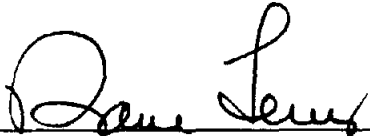
The proposed legislation would require changes to the income tax system, and the income tax form, which would result in minor increases in administrative expenses.

Revenues:

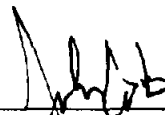
	<u>FY96</u>	<u>FY97</u>
	<u>Difference</u>	<u>Difference</u>
Individual Income Tax (01)	No Change	\$(1,100,000)

TECHNICAL NOTES:

The bill does not amend statute 15-30-122(2) to provide for indexation of the minimum standard deduction. The bill should index the minimum standard deduction for single filers and require that double this amount be used for joint and head of household filers.



DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning 1-18-95



JOHN COBB, PRIMARY SPONSOR DATE
Fiscal Note for HB0209, as introduced

HB 209

1 HOUSE BILL NO. 209

2 INTRODUCED BY COBB

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE MONTANA STATE INCOME TAX BY PROVIDING
5 A MINIMUM STANDARD DEDUCTION OF \$1,500, OR \$3,180 FOR A JOINT RETURN OR FOR A HEAD OF
6 HOUSEHOLD RETURN, ADJUSTED TO THE 1980 INFLATION FACTOR, AND BY INCREASING THE
7 MINIMUM INCOME FILING REQUIREMENT; AMENDING SECTIONS 15-30-122 AND 15-30-142, MCA; AND
8 PROVIDING AN APPLICABILITY DATE AND A CONTINGENT VOIDNESS PROVISION."

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10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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15 in lieu of all deductions allowed under 15-30-121. The minimum standard deduction is \$860 \$665, and
16 the AS ADJUSTED UNDER THE PROVISIONS OF SUBSECTION (2), OR 20% OF ADJUSTED GROSS
17 INCOME, WHICHEVER IS GREATER, TO A maximum standard deduction ~~shall be~~ is OF \$1,500, as adjusted
18 under the provisions of subsection (2), ~~except that.~~ HOWEVER, in the case of a single joint return of
19 husband and wife or in the case of a single individual who qualifies to file as a head of household on ~~his~~
20 the federal income tax return, the minimum standard deduction is \$1,720 \$1,330 and the, AS ADJUSTED
21 UNDER THE PROVISIONS OF SUBSECTION (2), OR 20% OF ADJUSTED GROSS INCOME, WHICHEVER
22 IS GREATER, TO A maximum standard deduction ~~shall be~~ is OF \$3,000, as adjusted under the provisions
23 of subsection (2). The standard deduction ~~shall~~ may not be allowed to either the husband or the wife if
24 the tax of one of the spouses is determined without regard to the standard deduction. For purposes of this
25 section, the determination of whether an individual is married ~~shall~~ must be made as of the last day of the
26 ~~taxable tax year; provided, however, if~~ unless one of the spouses dies during the ~~taxable tax year, in which~~
27 case the determination shall must be made as of the date of death.

28 (2) By November 1 of each year, the department shall multiply BOTH THE MINIMUM AND the
29 maximum standard deduction for single returns by the inflation factor for that ~~taxable tax year~~ and round
30 the product to the nearest \$10. The MINIMUM AND MAXIMUM standard deduction for joint returns and

1 qualified head of household returns ~~shall~~ must be twice the amount OF THE MINIMUM AND MAXIMUM
 2 STANDARD DEDUCTION for single returns. The resulting adjusted deductions are effective for that ~~taxable~~
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 9 provisions of subsection (7), and married individuals not filing separate returns and having a combined gross
 10 income for the ~~taxable tax~~ tax year of more than ~~\$2,000~~ \$3,000, as adjusted under the provisions of
 11 subsection (7), ~~shall be~~ are liable for a return to be filed on ~~such~~ forms and according to ~~such~~ rules ~~as~~ that
 12 the department may prescribe. The gross income amounts referred to in the preceding sentence ~~shall~~ must
 13 be increased by \$800, as adjusted under the provisions of 15-30-112(6), for each additional personal
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 18 ~~upon Montana income, as is required of Montana residents~~ IF THE TAXPAYER'S GROSS INCOME FOR THE
 19 TAX YEAR DERIVED FROM SOURCES WITHIN MONTANA EXCEEDS THE AMOUNT OF THE PERSONAL
 20 EXEMPTION THAT THE TAXPAYER IS ENTITLED TO CLAIM FOR THE TAXPAYER AND THE TAXPAYER'S
 21 SPOUSE UNDER THE PROVISIONS OF 15-30-112(2) THROUGH (4).

22 (2) In accordance with instructions set forth by the department, ~~every~~ each taxpayer who is
 23 married and living with husband or wife and is required to file a return may, at ~~his or her~~ the taxpayer's
 24 option, file a joint return with husband or wife even though one of the spouses has neither gross income
 25 nor deductions. If a joint return is made, the tax ~~shall~~ must be computed on the aggregate taxable income
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2 (4) All taxpayers, including but not limited to those subject to the provisions of 15-30-202 and
3 15-30-241, shall compute the amount of income tax payable and shall, at the time of filing the return
4 required by this chapter, pay to the department any balance of income tax remaining unpaid after crediting
5 the amount withheld, as provided by 15-30-202, ~~and/or~~ and any payment made by reason of an estimated
6 tax return provided for in 15-30-241; ~~provided, however~~ However, the tax ~~so~~ computed ~~is~~ must be greater
7 by \$1 than the amount withheld ~~and/or~~ and paid by estimated return as provided in this chapter. If the
8 amount of tax withheld ~~and/or~~ and the payment of estimated tax ~~exceeds~~ exceed by more than \$1 the
9 amount of income tax as computed, the taxpayer ~~shall be~~ is entitled to a refund of the excess.

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11 (6) If the amount of tax as verified is greater than the amount ~~theretofore~~ paid, the excess ~~shall~~
12 must be paid by the taxpayer to the department within 60 days after notice of the amount of the tax as
13 computed, with interest added at the rate of 9% ~~per annum~~ a year or fraction ~~thereof~~ of a year on the
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19 amounts are effective for that ~~taxable~~ tax year, and persons ~~having~~ who have gross incomes less than
20 these adjusted amounts are not required to file a return.

21 (8) Individual income tax forms distributed by the department for each ~~taxable~~ tax year must
22 contain instructions and tables based on the adjusted base year structure for that ~~taxable~~ tax year."
23

24 NEW SECTION. SECTION 3. CONTINGENT VOIDNESS. IN ORDER TO MAINTAIN A BALANCED
25 BUDGET, BECAUSE [THIS ACT] REDUCES REVENUE, IT MAY NOT BE TRANSMITTED TO THE GOVERNOR
26 UNLESS A CORRESPONDING IDENTIFIED REDUCTION IN SPENDING IS CONTAINED IN HOUSE BILL NO.
27 2. IF A CORRESPONDING IDENTIFIED REDUCTION IN SPENDING IS NOT CONTAINED IN HOUSE BILL NO.
28 2, [THIS ACT] IS VOID.

29

30 NEW SECTION. Section 4. Applicability. ~~[This act]~~ [SECTION 1] applies to tax years beginning

1 after December 31, 1995.

2

-END-

HOUSE BILL NO. 209

INTRODUCED BY COBB

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE MONTANA STATE INCOME TAX BY PROVIDING A MINIMUM STANDARD DEDUCTION OF \$1,500, OR \$3,180 FOR A JOINT RETURN OR FOR A HEAD OF HOUSEHOLD RETURN, ADJUSTED TO THE 1980 INFLATION FACTOR, AND BY INCREASING THE MINIMUM INCOME FILING REQUIREMENT; AMENDING SECTIONS 15-30-122 AND 15-30-142, MCA; AND PROVIDING AN APPLICABILITY DATE AND A CONTINGENT VOIDNESS COORDINATION PROVISION."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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(2) By November 1 of each year, the department shall multiply BOTH THE MINIMUM AND the maximum standard deduction for single returns by the inflation factor for that ~~taxable tax~~ taxable tax year and round the product to the nearest \$10. The MINIMUM AND MAXIMUM standard deduction for joint returns and

1 qualified head of household returns ~~shall~~ must be twice the amount OF THE MINIMUM AND MAXIMUM
 2 STANDARD DEDUCTION for single returns. The resulting adjusted deductions are effective for that ~~taxable~~
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 5 **Section 2.** Section 15-30-142, MCA, is amended to read:

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 7 Each single individual and ~~every~~ each married individual not filing a joint return with ~~his or her~~ a spouse and
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 9 provisions of subsection (7), and married individuals not filing separate returns and having a combined gross
 10 income for the ~~taxable tax~~ tax year of more than ~~\$2,000~~ \$3,000, as adjusted under the provisions of
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 14 exemption allowance that the taxpayer is entitled to claim for ~~himself~~ the taxpayer and ~~his~~ the taxpayer's
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 19 TAX YEAR DERIVED FROM SOURCES WITHIN MONTANA EXCEEDS THE AMOUNT OF THE PERSONAL
 20 EXEMPTION THAT THE TAXPAYER IS ENTITLED TO CLAIM FOR THE TAXPAYER AND THE TAXPAYER'S
 21 SPOUSE UNDER THE PROVISIONS OF 15-30-112(2) THROUGH (4).

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 23 married and living with husband or wife and is required to file a return may, at ~~his or her~~ the taxpayer's
 24 option, file a joint return with husband or wife even though one of the spouses has neither gross income
 25 nor deductions. If a joint return is made, the tax ~~shall~~ must be computed on the aggregate taxable income
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2 (4) All taxpayers, including but not limited to those subject to the provisions of 15-30-202 and
3 15-30-241, shall compute the amount of income tax payable and shall, at the time of filing the return
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24 ~~NEW SECTION. SECTION 3. CONTINGENT VOIDNESS. IN ORDER TO MAINTAIN A BALANCED~~
25 ~~BUDGET, BECAUSE [THIS ACT] REDUCES REVENUE, IT MAY NOT BE TRANSMITTED TO THE GOVERNOR~~
26 ~~UNLESS A CORRESPONDING IDENTIFIED REDUCTION IN SPENDING IS CONTAINED IN HOUSE BILL NO.~~
27 ~~2. IF A CORRESPONDING IDENTIFIED REDUCTION IN SPENDING IS NOT CONTAINED IN HOUSE BILL NO.~~
28 ~~2, [THIS ACT] IS VOID.~~

29
30 ~~NEW SECTION. SECTION 3. COORDINATION. IF HOUSE BILL NO. 35 IS PASSED AND~~

1 APPROVED, THEN [THIS ACT] IS VOID.

2

3 NEW SECTION. Section 4. Applicability. ~~{This act}~~ [SECTION 1] applies to tax years beginning
4 after December 31, 1995.

5

-END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0209, Third Reading

DESCRIPTION OF PROPOSED LEGISLATION:

An act providing a minimum standard deduction of \$1,590, or \$3,180 for a joint return or for a head of household return, adjusted to the 1980 inflation factor; and providing an applicability date.

ASSUMPTIONS:

1. This bill is first applicable to tax year 1996.
2. Providing the minimum standard deduction as proposed reduces tax year 1996 liabilities for all filers by \$520,000; this translates into a revenue loss of a like amount for fiscal year 1997. There is no revenue impact in fiscal year 1996.
3. For purposes of this fiscal note, HB0035 is assumed to fail to be approved.

FISCAL IMPACT:

Expenditures:

The proposed legislation would require changes to the income tax system, and the income tax form, which would result in minor increases in administrative expenses.

Revenues:

	<u>FY96</u>	<u>FY97</u>
	<u>Difference</u>	<u>Difference</u>
Individual Income Tax (01)	No Change	\$(520,000)

Dave Lewis 3/20/95
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

John Cobb
JOHN COBB, PRIMARY SPONSOR DATE
Fiscal Note for HB0209, Third Reading

HB 209 * 2

HOUSE BILL NO. 209

INTRODUCED BY COBB

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE MONTANA STATE INCOME TAX BY PROVIDING A MINIMUM STANDARD DEDUCTION OF ~~\$1,500, OR \$3,180~~ FOR A JOINT RETURN OR FOR A HEAD OF HOUSEHOLD RETURN, ADJUSTED TO THE 1980 INFLATION FACTOR, AND BY INCREASING THE MINIMUM INCOME FILING REQUIREMENT; AMENDING SECTIONS 15-30-122 AND 15-30-142, MCA; AND PROVIDING AN APPLICABILITY DATE AND A CONTINGENT VOIDNESS COORDINATION PROVISION."

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(2) By November 1 of each year, the department shall multiply BOTH THE MINIMUM AND the maximum standard deduction for single returns by the inflation factor for that ~~taxable tax year~~ and round the product to the nearest \$10. The MINIMUM AND MAXIMUM standard deduction for joint returns and

1 qualified head of household returns ~~shall~~ must be twice the amount OF THE MINIMUM AND MAXIMUM
 2 STANDARD DEDUCTION for single returns. The resulting adjusted deductions are effective for that ~~taxable~~
 3 tax year and ~~shall~~ must be used in calculating the tax imposed in 15-30-103."

4
 5 **Section 2.** Section 15-30-142, MCA, is amended to read:

6 **"15-30-142. Returns and payment of tax -- penalty and interest -- refunds -- credits.** (1) ~~Every~~
 7 Each single individual and ~~every~~ each married individual not filing a joint return with ~~his or her~~ a spouse and
 8 having a gross income for the ~~taxable tax~~ tax year of more than ~~\$1,000~~ \$1,500, as adjusted under the
 9 provisions of subsection (7), and married individuals not filing separate returns and having a combined gross
 10 income for the ~~taxable tax~~ tax year of more than ~~\$2,000~~ \$3,000, as adjusted under the provisions of
 11 subsection (7), ~~shall be~~ are liable for a return to be filed on ~~such~~ forms and according to ~~such~~ rules as that
 12 the department may prescribe. The gross income amounts referred to in the preceding sentence ~~shall~~ must
 13 be increased by \$800, as adjusted under the provisions of 15-30-112(6), for each additional personal
 14 exemption allowance that the taxpayer is entitled to claim for ~~himself~~ the taxpayer and ~~his~~ the taxpayer's
 15 spouse under 15-30-112(3) and (4). A nonresident shall ~~be required to~~ file a return if ~~his gross income for~~
 16 ~~the taxable year derived from sources within Montana exceeds the amount of the exemption deduction he~~
 17 ~~is entitled to claim for himself and his spouse under the provisions of 15-30-112(2), (3), and (4), based~~
 18 ~~upon Montana income, as is required of Montana residents~~ IF THE TAXPAYER'S GROSS INCOME FOR THE
 19 TAX YEAR DERIVED FROM SOURCES WITHIN MONTANA EXCEEDS THE AMOUNT OF THE PERSONAL
 20 EXEMPTION THAT THE TAXPAYER IS ENTITLED TO CLAIM FOR THE TAXPAYER AND THE TAXPAYER'S
 21 SPOUSE UNDER THE PROVISIONS OF 15-30-112(2) THROUGH (4).

22 (2) In accordance with instructions set forth by the department, ~~every~~ each taxpayer who is
 23 married and living with husband or wife and is required to file a return may, at ~~his or her~~ the taxpayer's
 24 option, file a joint return with husband or wife even though one of the spouses has neither gross income
 25 nor deductions. If a joint return is made, the tax ~~shall~~ must be computed on the aggregate taxable income
 26 and the liability with respect to the tax ~~shall be~~ is joint and several. If a joint return has been filed for a
 27 ~~taxable tax~~ tax year, the spouses may not file separate returns after the time for filing the return of either has
 28 expired unless the department ~~se~~ consents.

29 (3) If ~~any such~~ a taxpayer is unable to make ~~his~~ the taxpayer's own return, the return ~~shall~~ must
 30 be made by ~~a duly~~ an authorized agent or by a guardian or other person charged with the care of the person

1 or property of ~~such~~ the taxpayer.

2 (4) All taxpayers, including but not limited to those subject to the provisions of 15-30-202 and
3 15-30-241, shall compute the amount of income tax payable and shall, at the time of filing the return
4 required by this chapter, pay to the department any balance of income tax remaining unpaid after crediting
5 the amount withheld, as provided by 15-30-202, ~~and/or and~~ any payment made by reason of an estimated
6 tax return provided for in 15-30-241; ~~provided, however~~ However, the tax ~~so~~ computed is must be greater
7 by \$1 than the amount withheld ~~and/or and~~ paid by estimated return as provided in this chapter. If the
8 amount of tax withheld ~~and/or and~~ the payment of estimated tax ~~exceeds~~ exceed by more than \$1 the
9 amount of income tax as computed, the taxpayer ~~shall be~~ is entitled to a refund of the excess.

10 (5) As soon as practicable after the return is filed, the department shall examine and verify the tax.

11 (6) If the amount of tax as verified is greater than the amount ~~theretofore~~ paid, the excess shall
12 must be paid by the taxpayer to the department within 60 days after notice of the amount of the tax as
13 computed, with interest added at the rate of 9% ~~per annum~~ a year or fraction ~~thereof~~ of a year on the
14 additional tax. In ~~such that~~ that case, there ~~shall may not be~~ is a penalty because of ~~such the~~ the understatement,
15 ~~provided if~~ the deficiency is paid within 60 days after the first notice of the amount is mailed to the
16 taxpayer.

17 (7) By November 1 of each year, the department shall multiply the minimum amount of gross
18 income necessitating the filing of a return by the inflation factor for the ~~taxable~~ tax year. These adjusted
19 amounts are effective for that ~~taxable~~ tax year, and persons ~~having~~ who have gross incomes less than
20 these adjusted amounts are not required to file a return.

21 (8) Individual income tax forms distributed by the department for each ~~taxable~~ tax year must
22 contain instructions and tables based on the adjusted base year structure for that ~~taxable~~ tax year."
23

24 ~~NEW SECTION. SECTION 3. CONTINGENT VOIDNESS. IN ORDER TO MAINTAIN A BALANCED~~
25 ~~BUDGET, BECAUSE [THIS ACT] REDUCES REVENUE, IT MAY NOT BE TRANSMITTED TO THE GOVERNOR~~
26 ~~UNLESS A CORRESPONDING IDENTIFIED REDUCTION IN SPENDING IS CONTAINED IN HOUSE BILL NO.~~
27 ~~2, IF A CORRESPONDING IDENTIFIED REDUCTION IN SPENDING IS NOT CONTAINED IN HOUSE BILL NO.~~
28 ~~2, [THIS ACT] IS VOID.~~

29
30 ~~NEW SECTION. SECTION 3. COORDINATION. IF HOUSE BILL NO. 35 IS PASSED AND~~

1 APPROVED, THEN [THIS ACT] IS VOID.

2

3 NEW SECTION. Section 4. Applicability. ~~{This act}~~ [SECTION 1] applies to tax years beginning
4 after December 31, 1995.

5

-END-