

**Task Force #1  
HJR 60 (2002)**

State Income Tax Issue

**8. Eliminate the income tax and increase the sales and use tax to compensate for the lost income tax revenues.**

Income Stream to Replace:

	<u>Fiscal Year 2001 Revenue (in 000s)</u>
Individual income tax (net)	\$7,226,309
State sales and use tax	\$2,272,954
Corporate income	<u>\$ 363,757</u>
Total	\$9,863,020

$$\frac{3.5}{2.3} = \frac{x}{9.9} ; \quad x = 15.1\% \text{ plus } 1\% \text{ local sales tax} = 16.1\%$$

	<u>Fiscal Year 2000 Revenue (in 000s)</u>
Individual income tax (net)	\$6,828,907
State sales and use tax	\$2,574,006
Corporate income	<u>\$ 565,909</u>
Total	\$9,968,822

$$\frac{3.5}{2.6} = \frac{x}{10.0} ; \quad x = 13.5\% \text{ plus } 1\% \text{ local sales tax} = 14.5\%$$