

FY 2026-27 Biennial Budget Tax Bill Leader Agreement

29-May-25

| 1 Proposal | FY 2026-27 | FY 2028-29 |
|---|-------------------|-------------------|
| 2 Data Center Exemption - Electricity Repeal | (56,250) | (82,700) |
| 3 Cannabis Gross Receipts Tax (Inc. to 15%; Repeal LGCA) | (79,742) | (132,600) |
| 4 R&D Credit Modifications | 40,800 | 39,600 |
| 5 Aquatic Invasive Species Prevention Aid 50% Reduction | - | (10,000) |
| 6 Sustainable Forestry Incentive Payments Reduction - 10% | - | (3,770) |
| 7 Sales Tax June acceleration - 5.6% beginning June 2027 | (22,820) | (1,150) |
| 8 <i>Property & Income Tax Interactions</i> | - | 390 |
| 9 Total | (118,012) | (190,230) |
| 10 Target | (118,000) | (190,000) |
| 11 <i>Difference</i> | (12) | (230) |

[Signature]
29 MAY 25
[Signature]

[Signature]
5/29/2025

Melina Hartman

Taxes Budget Bill Agreement

May 29, 2025

The following are agreed upon by the Governor, Speaker of the House, Speaker Emerita and Senate Majority Leader as to the contents of the 2025 First Special Session Tax Bill:

- 1) Only provisions reflected on the signed spreadsheet will be included in the final bill.
- 2) The Research and Development Tax Credit investment funds approximately 17.5 percent refundability in tax year 2025 and 25% refundability in tax year 2026 and ongoing. The provision will include a contingent reduction in the refundability percentage as soon as is administratively practicable as determined by the department so that projected refunds will not exceed \$25 million per year.
- 3) The Sustainable Forestry Incentive Payments Reduction shall be a 10 percent reduction in the per acre payment.
- 4) The agreement re-institutes a June accelerated sales tax payment for large retailers of 5.6 percent of estimated June tax liability beginning with June 2027.
- 5) Committee chairs, legislative staff, and the Commissioner of Revenue and staff will work cooperatively to draft and finalize language.

13 JN
29 MAY 25
Alex M Demuth

JR
5/29/2025

Melvin Hartman