

Subject Constitutional amendment – tax relief account

Authors Johnson, W. and Niska

Analyst Chris Kleman

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Summary

H.F. 4 proposes placing a constitutional amendment on the ballot at the 2026 general election. If passed, a tax relief account would be established to set aside excess tax collections for tax refunds or onetime tax reductions. Excess tax collections would be determined based on a comparison of forecast revenues to forecast expenditures for a fiscal biennium corresponding to a legislative biennium. Projected revenues that exceed 105 percent of projected expenditures would then be transferred to the new account. The legislature would be able to choose which of the two most recent forecasts to use for purposes of the revenue/expenditure comparison (e.g. November or February).

The legislature would be required to appropriate money in the tax relief account each biennium for property or income tax refunds, or to offset the cost of onetime tax reductions. Refunds and tax reductions would be limited to a taxpayer's liability for tax.