

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 60 **DATE:** April 13, 2007

Version: As introduced, with author's amendment H0060A1

Authors: Brod and others

Subject: Income tax rate reduction (bottom and middle rates)

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Overview

Decreases the first two income tax rates from 5.35 and 7.05 percent to 4.85 and 6.55 percent, effective in tax year 2007, and decreases the alternative minimum tax rate from 6.4 percent to 6.0 percent.

Section

- 1 **Individual income tax rates.** Decreases the first two income tax rates by 0.5 percentage points, from 5.35 and 7.05 percent to 4.85 and 6.55 percent, effective in tax year 2007.
- 2 **Alternative minimum tax rate.** Decreases the alternative minimum tax (AMT) rate from 6.4 percent to 6.0 percent (this change is intended to avoid shifting taxpayers onto the AMT as a result of the rate decrease proposed in section 0).
- 3 **Tentative minimum tax.** Decreases the tentative minimum tax rate from 6.4 percent to 6 percent, corresponding to the rate decrease in section 0.
- 4 **Alternative minimum tax credit.** Decreases the rate used in calculation of the alternative minimum tax credit from 6.4 percent to 6 percent, corresponding to the rate decrease in section 0.