

STATEMENT OF PURPOSE

RS25731

This bill relates to income taxes. It is the annual bill to update references to the Internal Revenue Code (IRC). The bill will conform the Idaho income tax code to changes made to the IRC that affect the 2017 taxable year. The Idaho income tax code is based on using the federal adjusted gross income as a starting point for both businesses and individuals.

FISCAL NOTE

The federal laws that expired during 2017 are not expected to have any impact on Idaho.

The new federal tax act has a couple of provisions that affect the 2017 tax year. The first is lowering the threshold to claim medical expenses from 10% down to 7.5%. Based on the Joint Committee on Taxation estimate, the Idaho impact is expected to be a reduction in Idaho revenue of \$6.4 million.

There also is a provision that requires taxpayers to report and pay tax on previously unreported overseas earnings. The positive fiscal impact is unknown.

Contact:

Tom Shaner
Tax Commission
(208) 334-7518

DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).