

STATEMENT OF PURPOSE

RS32013 / H0040

This legislation reduces state government's income tax burden, allowing Idahoans to keep more of their own hard-earned money. First, it reduces Idaho's flat income tax rate on individuals and corporations from 5.695% to 5.3%. Second, it expands Idaho's income tax exemption on U.S. military pension income to include certain disabled veterans under age 62, all veterans aged 62-64, and undischarged veterans under age 62 who are also employed and earn sufficient income to owe federal income taxes. And third, it removes capital gains and losses for both precious metal bullion and monetized bullion from the calculation of state income taxes.

FISCAL NOTE

The projected reductions in state General Fund revenue for FY 2026 are:

Bullion capital gains/losses elimination:	\$1,000,000
Expand income tax exemption for military pensions:	\$12,000,000
Reduce flat individual and corporate income tax rate from 5.695% to 5.3%:	\$240,000,000
TOTAL:	\$253,000,000

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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).