

DRAFT

**Tax Package Suggested by Representative Cairnes
9/13/02**

Goal	Option	Fiscal Impact
1. Be taxpayer friendly to businesses and households.	<ul style="list-style-type: none">• Municipal tax fairness/B&O apportionment• Petition Congress to allow the deduction of sales tax from the federal tax return.• Reduce the regulatory burden on our businesses• Fully conform with the federal estate tax repeal	\$89 million loss in CY 2005 and \$113 million in CY 2005
2. Promote home-ownership	<ul style="list-style-type: none">• Have growth management impact fees paid at the time of closing by the buyer.	Revenue neutral
3. Support Education	<ul style="list-style-type: none">• Provide additional funding through cutting timber off state land for schools.	*Increase DNR Harvest by: <u>10%</u> - \$8.7 million <u>20%</u> - \$17.4 million
4. Local tax simplification for the trucking industry	<ul style="list-style-type: none">• Have the state collect local B&O tax for trucking industry and redistribute to cities. Have one rate and one set of tax rules for the local B&O for trucking companies. <p><u>Problem:</u> Currently, there are 37 cities that impose the local B&O tax. The tax rates and rules vary among jurisdictions. The trucking industry operates in all the jurisdictions in the state and one rate and one set of tax rules would greatly simplify their compliance.</p>	To be determined
5. Rainy Day Fund	<ul style="list-style-type: none">• Develop a meaningful trigger to put money in and take money out of the rainy day fund.	Revenue neutral

*The dollar amounts include revenues from the timber sales that are earmarked for the school and university trusts, and the state timber excise tax. Currently the state timber excise tax is deposited in the state general fund. This analysis assumes that the state timber excise tax from these sales is made available for education.

