“…to determine how well the current tax system functions and how it might be changed to better serve the citizens of the state in the twenty-first century.”
Funds are provided to establish and provide staff support to,

“...a committee on taxation to study the **elasticity**, **equity**, and **adequacy** of the state’s tax system.”
“In reviewing options for changes to the tax system, the committee shall develop *multiple alternatives*, to the existing tax system.”
“The alternatives shall range from incremental improvements in the current tax structure to complete replacement of the tax structure.”
To the extent possible, the alternatives shall be designed to...

– Increase the harmony between the tax system of this state and the surrounding states,

– Encourage commerce and business creation, and

– Encourage home ownership.”
“In developing alternatives, the committee shall be guided by...

– Administrative simplicity,
– Economic neutrality,
– Fairness,
– Stability, and
– Transparency.”
“In developing alternatives, the committee shall examine and consider the effects of tax incentives, including exemptions, deferrals, and credits.”
“Most of the alternatives presented by the committee to the legislature shall be revenue neutral and contain no income tax.”
“In conducting the study, the committee shall examine the tax structures of other states and review previous studies regarding the tax system in this state.”
By November 30, 2002, the committee shall present a final report of its findings and alternatives:

- The Senate Ways and Means Committee
- The House Finance Committee