

FISCAL NOTE

June 1, 2023

Bill No:	SB 345	Printer's No:	460	Sponsor:	Aument
-----------------	--------	----------------------	-----	-----------------	--------

COST / (SAVINGS)

Fund (s)	2022-23	2023-24
General Fund	\$0	\$757.3 million

SUMMARY: This bill amends the Tax Reform Code, in corporate net income tax, further providing for imposition of tax.

ANALYSIS: SB 345 reduces the corporate net income tax (CNIT) annual rate to:

- 7.99 percent in 2023,
- 6.99 percent in 2024,
- 5.99 percent in 2025,
- and 4.99 percent in 2026 and each taxable year thereafter.

FISCAL IMPACT: This bill has an annual fiscal impact of \$757.3 million in Fiscal Year 2023-24 and \$939.7 million in Fiscal Year 2024-25 to reduce the CNIT rate.

TAX YEAR	CURRENT LAW	PROPOSAL	FISCAL YEAR	EFFECT*
2023	8.99%	7.99%	2022-23	0.0**
2024	8.49%	6.99%	2023-24	(757.3)
2025	7.99%	5.99%	2024-25	(939.7)
2026	7.49%	4.99%	2025-26	(1,241.1)
2027	6.99%	4.99%	2026-27	(1,385.1)
2028	6.49%	4.99%	2027-28	(1,167.5)

*Numbers in millions

**The effect in FY 2022-23 has been pushed to FY 2023-24 to account for expected enactment following estimated payment due dates in FY 2022-23.