

HB 1034 -- Fair Tax Act of 2007

Sponsor: Emery

This bill establishes the Fair Tax Act of 2007 which requires the Department of Revenue to develop by January 1, 2008, methods for replacing the state individual and corporate income tax and the estate tax with a fair tax based on all new retail sales and services. Upon voter approval, the income tax will be replaced beginning January 1, 2009, with the department-proposed fair tax. Tax credits and sales tax exemptions will be phased-out as the fair tax rate is adjusted to provide continued funding for programs. Each sales tax collector and the department will be allowed to retain 1/4 of 1% of the amount collected. Each family will receive a monthly sales tax rebate based on the number of members in the family and the federal poverty level guidelines to offset the sales tax on basic necessities.