

SS SCS SJR 50 -- TAXATION

SPONSOR: Koenig (Baker)

COMMITTEE ACTION: Voted "Do Pass" by the Special Committee on Tax Reform by a vote of 7 to 2. Voted "Do Pass" by the Standing Committee on Rules- Regulatory Oversight by a vote of 7 to 0 and 1 present.

Upon voter approval, this constitutional amendment prohibits the General Assembly from setting a state income tax rate exceeding 5.5%.

The resolution modifies a provision prohibiting sales taxes levied on transactions not taxed as of January 1, 2015, by providing an exception for sales and use taxes on subscriptions, licenses for digital products, and online purchases of tangible personal property.

This resolution provides that no state or local sales or use taxes or any similar transaction-based tax shall be authorized on the provision of video service if the state, a franchise entity, or a political subdivision also imposes a franchise fee on the provider of such video service.

PROPONENTS: Supporters say that the bill would prevent double taxation of similar products, which will provide more fairness and give taxpayers a break. Supporters further say that imposing an upper limit on personal income tax will result in more creativity and economic activity.

Testifying in person for the bill were Senator Koenig and Arnie C. Dienoff.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that many products that used to be sold as a physical product, such as a record album or software, are now largely bought and sold in online digital form.

Testifying in person on the bill was Microsoft.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.