

HB 2134 -4 STAFF MEASURE SUMMARY

House Committee On Rules

Prepared By: Josh Nasbe, Counsel

Sub-Referral To: House Committee On Revenue

Meeting Dates: 1/30, 4/29

WHAT THE MEASURE DOES:

Extends sunset of political contribution tax credit until January 1, 2026.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-4 Reduces income levels, from \$200,000 to \$150,000 (joint return) and \$100,000 to \$75,000 (any other return), for which credit may not be claimed.

BACKGROUND:

Originally enacted in 1969, the political contribution tax credit is a nonrefundable credit claimed against personal income taxes, in an amount that may not exceed \$50 per filer. The credit may not be taken by filers with an adjusted gross income of \$100,000 per filer.

In 2009, legislation was enacted to sunset a substantial number of tax credits, thereby requiring the Legislative Assembly to review those credits in regular intervals. Four years later, the political contribution tax credit was extended until January 1, 2020. House Bill 2134 renews the political contribution tax credit for another six years, extending the sunset until January 1, 2026.