

Contextual simplified example of SB 139 -14 (proposed PT entity tax and income tax credit)

		Existing Law	Proposed	No PTE Reduced Rates Proposed	Notes
Pass Through Entity	Income	1,000,000	1,000,000	1,000,000	
	PT Alt. Tax	0	96,750	96,750	New alternative tax amount
	Net PT Inc.	1,000,000	903,250	903,250	Net income to pass through
Individual Taxpayer	Federal PIT Tax	370,000	334,203	334,203	Assumes top 37% for all income
	OR PIT Tax	73,500	72,500	99,000	Assumes marginal PTE rates or top 9.9% OR marginal rate
	OR PT Credit	0	96,750	96,750	
	Net PIT Tax	443,500	309,953	336,453	
	Net After Tax Inc. to Taxpayer	\$556,500	\$593,298	\$566,798	After tax income is increased
	Net Change in after tax income		\$36,798	\$10,298	Reflects increase in after tax income for the taxpayer
	Net OR Tax Revenue	\$73,500	\$72,500	\$99,000	