

HB 2092 STAFF MEASURE SUMMARY

House Committee On Revenue

Prepared By: Chris Allanach, Legislative Revenue Officer

Meeting Dates: 2/1, 2/23

WHAT THE MEASURE DOES:

Adjusts the sunset dates for nine income tax credits. Six credits are extended two years; three tax credits are extended four years.

- The sunsets for the Cultural Trust contribution, political contribution, and volunteer rural EMT tax credits are moved from January 1, 2026 to January 1, 2028. (Sections 1-3)
- The sunsets for the employer-provided scholarship, contribution to 529 or ABLE (Achieving a Better Life) accounts, and short-line railroad tax credits are moved from January 1, 2026 to January 1, 2030. (Sections 4-6)
- The sunsets for the reservation enterprise zone, Public University Development Fund contribution, and Individual Development Account contribution tax credits are moved from January 1, 2028 to January 1, 2030. (Section 7-9)

ISSUES DISCUSSED:

- Process discussion, as opposed to policy discussion
- Impact of allowing tax credits to sunset
- Workload balance
- Fairness of tax credit usage

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The 2009 Legislature organized income tax credits into three policy groupings and established a series of staggered sunset dates. The original sunset dates were January 1 of 2012, 2014, and 2016. The intent was to conduct tax credit analyses such that roughly one-third of the tax credits would be reviewed by the Legislature each long (odd-year) session. Consequently, over a rolling six year schedule all tax credits would be subject to review. Also, a default extension period of six years was established for newly created tax credits.