



2008 Session Overview

Com. Sub. for S.B. 680

Key provisions -- provides for combined reporting technical corrections; Corporate Net Income Tax rate reductions (from 8.75% to 6.5% by 2015); Business Franchise Tax rate reductions (from .55% to zero by 2015); trigger mechanism to delay CNIT reductions if Rainy Day Fund drops below certain level; manufacturing credits; manufacturing inventory valuation; financial institution BFT liability

Rate Schedule -- Corporate Net Income Tax	Rate Schedule – Business Franchise Tax
1/1/09 8.5%	1/1/09 .48%
1/1/12 7.75%	1/1/10 .41%
1/1/14 6.5%	1/1/11 .34%
<i>NOTE: CNIT rate reduction shall be suspended if Rainy Day Fund drops below 10% of general revenue budget as of preceding June 30. Suspension (and any subsequent suspension) continues until RDF exceeds the 10%, then all suspended reductions kick in the next January 1.</i>	1/1/12 .27%
	1/1/13 .21%
	1/1/14 .10%
	1/1/15 No Tax