



## HOUSE REPUBLICAN STAFF ANALYSIS

Bill: House File 4  
Committee: Ways And Means  
Date: January 12, 2011  
Staff: Dustin Blythe (1-3452)

### Reduction in the Individual Income Tax Rates

House File 4 reduces by approximately 20 percent the tax rate for each of the nine individual income tax brackets.

### Section by Section Analysis

#### Section 1 – Taxable income rates

- a. On all taxable income from zero through one thousand dollars  
Old rate      .36 percent                      new rate      .28 percent
- b. On all taxable income exceeding one thousand dollars but not exceeding two thousand dollars  
Old rate      .72 percent                      new rate      .57 percent
- c. On all taxable income exceeding two thousand dollars but not exceeding four thousand dollars  
Old rate      2.43 percent                      new rate      1.94 percent
- d. On all taxable income exceeding four thousand dollars but not exceeding nine thousand dollars  
Old rate      4.50 percent                      new rate      3.60 percent
- e. On all taxable income exceeding nine thousand dollars but not exceeding fifteen thousand dollars  
Old rate      6.12 percent                      new rate      4.89 percent
- f. On all taxable income exceeding fifteen thousand dollars but not exceeding twenty thousand dollars  
Old rate      6.48 percent                      new rate      5.18 percent
- g. On all taxable income exceeding twenty thousand dollars but not exceeding thirty thousand dollars  
Old rate      6.80 percent                      new rate      5.40 percent

- h. On all taxable income exceeding thirty thousand dollars but not exceeding forty-five thousand dollars  
Old rate            7.92 percent                      new rate            6.33 percent
  
- i. On all taxable income exceeding forty-five thousand dollars  
Old rate            8.98 percent                      new rate            7.18 percent

Section 2 – Effective date and Applicability

This bill takes effect January 1, 2012, and applies to tax years beginning on or after that date.

Fiscal note has been requested.