

CORPORATE INCOME TAX BILLS OF INTEREST TO COMMITTEE

2019 LEGISLATION

The committee requested information about the following bills from the 2019 Legislative session as part of the HJ 35 study. The bills are summarized below and fiscal notes are linked and attached to this document.

SENATE BILL 141

Sen. Dick Barrett introduced [Senate Bill 141](#). The bill repeals the water's-edge election that allows corporations subject to the corporate income tax to report only income from the United States and certain tax havens listed in statute. The tax rate for corporations making a water's-edge election is 7%, instead of the 6.75%.

The [fiscal note](#) estimates a General Fund revenue increase of \$42 million in FY 2021.

The Senate Taxation Committee tabled the bill.

SENATE BILL 142

Sen. Dick Barrett introduced [Senate Bill 142](#). The bill revised the list of tax haven countries in the water's-edge election statutes. Corporations making a water's-edge election only report income earned in the United States and the listed tax havens and face a 7% tax rate instead of the 6.75% rate for other corporate taxpayers.

The [fiscal note](#) estimates a General Fund revenue increase of \$900,000 in FY 2021.

The bill failed on second reading in the Senate.

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