



Special Fiscal Report

NATIONAL CONFERENCE *of* STATE LEGISLATURES



State Tax Actions: 2016

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State Tax Actions 2016: Special Fiscal Report

State Tax Actions 2016 features state-by-state details about changes in tax laws enacted in 2016. It includes analysis of the revenue impact and implications for future state tax policy, illustrated with tables, charts and graphs.

Written for members of the states' legislatures and professionals in public policy, political science and government affairs, State Tax Actions 2016 offers the facts with objective analysis and perspective.



Preface and Acknowledgments

State Tax Actions 2016 presents information about the tax and revenue changes enacted by state legislatures during the 2016 calendar year. It also contains the results of tax measures that were voted on during any 2016 elections and special sessions. In addition to aggregate state tax information, the report contains detailed information on 50 states. The reported changes generally take effect in fiscal year (FY) 2017. For 46 states, the fiscal year begins July 1 and ends June 30. Exceptions are Alabama and Michigan, where fiscal years begin in October and end in September; Texas, September to August; and New York, April to March.

This annual report is a cooperative effort of the National Association of Legislative Fiscal Offices (NALFO) and the National Conference of State Legislatures' (NCSL) Fiscal Affairs Program. Without the advice, expertise and timely assistance of legislative fiscal staff from around the country, the report would not be possible.

Defining and Measuring Tax Changes

Organizations that measure state tax and revenue changes often report different numbers, resulting in confusion about the true magnitude of state tax increases or reductions.

Calculating state tax changes is complicated because there are two distinct ways changes may be counted.

One method—the “baseline” method—includes the effect of all statutory tax law changes adopted in the current legislative session. Under this method, only statutory tax law changes adopted in the 2016 legislative sessions are included.

The second method—the “taxpayer liability” method—measures the effect of tax changes on taxpayers and the economy, without regard to when statutory changes were adopted. Under this method, a state that makes a multi-year tax rate reduction would be credited with a tax reduction in each fiscal year during which the tax rate falls.

NCSL uses the taxpayer liability method, which excludes extensions of scheduled sunsets or other changes that are anticipated under current law because they pose no immediate tax change to the taxpayer.

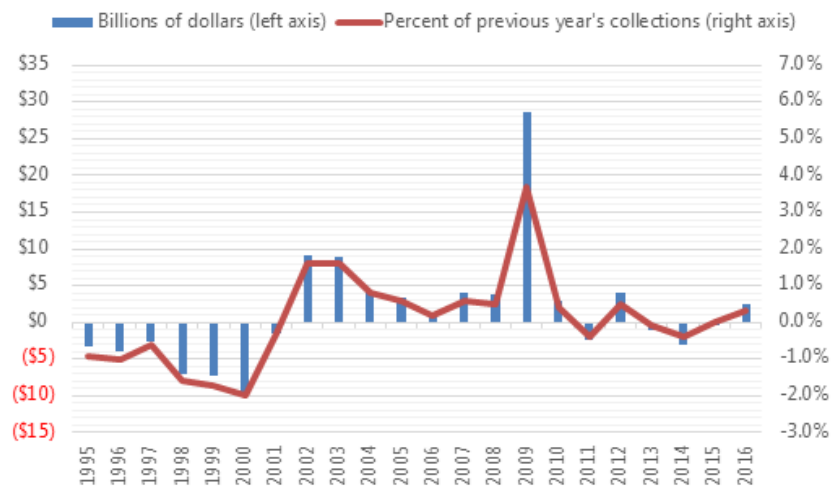
Tax Highlights In 2016

Following the same trend as in 2015, this past year saw net reductions in personal and corporate income taxes and increases across most other tax categories. This is a result of a continued phase-in of major tax reduction packages passed during previous legislative sessions. Increases in sales and use, health, tobacco, and motor-fuel-related taxes led to a \$2.3 billion revenue increase across all reporting states. Illinois did not enact a FY 2017 budget during the 2016 legislative session, and some states—such as Texas, Montana and Nevada, where the legislature only convenes biennially—did not have significant tax changes to report.

This report includes tax actions taken during regular and special legislative sessions in 2016, as well as actions approved by voters during the November 2016 general election. Fifty states provided information, which was obtained through a survey of the National Association of Legislative Fiscal Offices. Highlights include:

- Collective actions taken by the 50 states resulted in a net tax increase of \$2.3 billion, representing 0.3 percent of the prior year’s tax collections. This compares to relatively little activity in 2015 and a \$3.1 billion, or 0.4 percent, decrease in 2014. Figure 1 shows net state tax changes by years from 1995 to 2016.
- Illinois did not enact a FY 2017 budget during the 2016 legislative session, but Pennsylvania—which did not enact a budget during the 2015 legislative session—passed an extensive tax package in 2016, increasing net tax revenue for the state by \$633 million, or 1.8 percent.
- Across the nation, the multi-year trend of lowering personal and corporate income taxes continues. Tax increases included motor fuel taxes to fund state infrastructure projects, substantial sales tax increases in two states, increased health care provider taxes to offset insurance costs and tax increases on many tobacco products.

Figure 1. Net State Tax Changes by Year of Enactment, 1995-2016



Source: National Conference of State Legislatures' survey of legislative fiscal offices, 2016

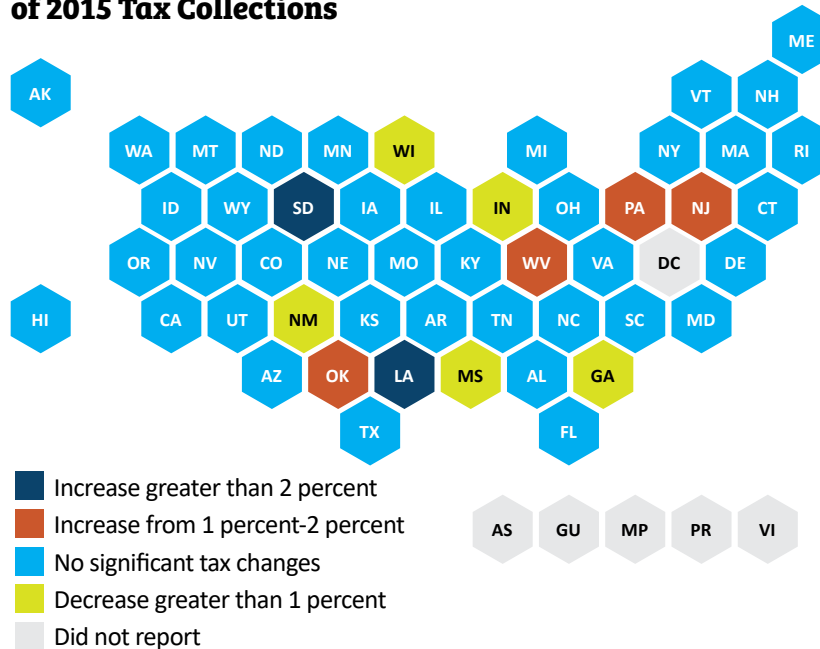
- Of the 50 reporting states, five—Georgia, Indiana, Mississippi, New Mexico and Wisconsin—reduced net taxes by more than 1 percent, while six—Louisiana, New Jersey, Oklahoma, Pennsylvania, South Dakota and West Virginia—reported a net tax increase of more than 1 percent. Thirty-nine states made no significant net tax changes in 2016 (Figure 2).
- In addition to tax changes, states approved nontax revenue changes, including fee increases or decreases, revenue accelerations or decelerations, and tax compliance initiatives for a net increase of \$426 million. This resulted in a combined total revenue increase of about \$2.8 billion in 2016.

Louisiana and South Dakota experienced the largest tax increases in 2016 due to raising the sales and use tax in each state. Louisiana raised \$1.5 billion in new revenue, or an increase of 16.4 percent. South Dakota experienced a net revenue increase of \$107 million, or 6.4 percent of the total taxes collected in the previous year.

Indiana reported the largest tax decrease with a net reduction in revenues of 2.3 percent. This reduction is the result of phasing in personal and corporate income tax reductions that were originally enacted during the 2013 legislative session.

Sales and use and health-care-related taxes experienced the largest increases this year. This is primarily a result of Louisiana and South Dakota's sales tax actions. Net increases in health care taxes are driven by California's introduction of a tax on Managed Care Organization providers, which raised \$1.1 billion in new revenue.

Figure 2. 2016 Net State Tax Changes as a Percentage of 2015 Tax Collections



Source: National Conference of State Legislatures' survey of legislative fiscal offices, 2016

Additionally, states enacted tax changes that will have out-year revenue effects. New York reduced personal income taxes for middle-class taxpayers, which will lead to a revenue reduction of \$4.2 billion when fully effective in 2026. California, Maine, Massachusetts and Nevada legalized recreational marijuana for persons 21 years and older during the 2016 general election. The regulatory structures still need to be developed in each state, but are expected to lead to additional out-year revenue generation.

Personal Income Taxes (net decrease: \$884 million)

Seventeen states made net reductions to personal income taxes compared to six that raised them. Examples of personal income tax cuts include:

- Indiana and Missouri continued to phase in personal income tax rate reductions enacted in previous legislative sessions.
- New Jersey, New York, Oregon and Rhode Island expanded the earned income tax credit.
- Hawaii adopted an organic food production and a renewable fuels income tax credit.
- Georgia, Idaho, Indiana, Maine and South Carolina conformed personal income taxes to the federal tax code.
- New York enacted legislation to reduce the tax burden on middle-class taxpayers. It includes a permanent 20 percent rate reduction over eight years and changes the personal income tax rate from 6.85 percent to 5.5 and 6 percent. The fiscal impact will be a \$4.2 billion revenue reduction annually

Table 1. 2016 Net State Tax Changes by Type of Tax

Type of Tax	Dollars (in millions)
Personal Income	-\$884.3
Corporate Income	-\$736.7
Sales and Use	\$788.6
Health Care	\$1,348.8
Tobacco	\$1,008.2
Alcoholic Beverage	\$18.2
Motor Fuel	\$923.3
Miscellaneous	-\$125.3
Net Change	\$2,340.8

Not included: American Samoa, District of Columbia, Guam, Illinois, Northern Mariana Islands, Puerto Rico and U.S. Virgin Islands.

Source: National Conference of State Legislatures, 2016

when fully effective.

- North Carolina increased standard personal income tax deductions by \$2,000 over two years to a new limit of \$17,500. This action results in a revenue reduction of \$145 million.
- The Oregon legislature increased the annual cap for the film and video tax credit.
- Rhode Island passed legislation exempting the first \$15,000 of pension income.
- South Carolina adopted an income tax deduction for military retirement benefits attributable to active-duty service.
- Tennessee established a tax credit against the Hall Income Tax (HIT) equal to 33 percent of the value of an investment by an angel investor. This is part of a larger reform measure that will eliminate the income tax over six years. It decreased the HIT rate from 6 percent to 5 percent and established the legislative intent that the HIT will be reduced 1 percent annually through further enactment of general bills. The tax will be eliminated completely in tax year 2022.
- Maryland adopted a refundable personal income tax credit of up to \$5,000 for qualified student loan debt.
- Minnesota enacted a military pension subtraction to the income tax.
- Mississippi enacted the Taxpayer Pay Raise Act of 2016. This bill phases out personal income tax on the first \$5,000 of taxable income from 3 percent to 0 percent over a five-year period beginning calendar year 2018. This is part of a larger reform measure which also phases out the franchise tax and the 3 percent rate on corporate income, and provides a self-employment tax deduction.

Other states raised income taxes:

- The Oklahoma Legislature adopted a number of income tax policies in order to raise revenue. Most notably, it eliminated the “Double Deduction” and required state and local income or sales taxes included in itemized deductions to be added back into the calculation for the state’s taxable income. This change raised \$83.3 million in new revenue.
- Pennsylvania expanded the tax base to include Pennsylvania Lottery winnings on cash prizes in the personal income tax. Non-cash prizes remain exempt.
- Louisiana permanently reduced the Citizens Assessment credit to 25 percent of the assessment paid on insurance policies. The credit is already reduced to 72 percent through FY 2018, but was scheduled to return to 100 percent. This action raised \$17 million in new revenue.

Corporation and Business Taxes (net decrease: \$737 million)

Twenty states made reductions to corporate and business taxes in 2016, while five states experienced a net increase in this revenue category. Examples of business tax decreases include:

- Alabama enacted a port tax credit to encourage increased use of state port facilities and a “Growing Alabama” tax credit for cash donations to approved local economic development organizations.
- The California Legislature reduced income-related taxes on certain health plans. This is part of the state’s Managed Care Organization tax package passed during special session in early 2016.
- Delaware adopted a change in income apportionment calculations and enacted a tax credit for research and development.
- Indiana continued to phase in a reduction of corporate income tax from 6.5 percent in FY 2016 to 4.9 percent in FY 2022 and thereafter. The reform measure originally passed during the 2014 legislative session also includes a reduction in the financial institution tax.
- Iowa enacted a renewable chemical tax credit.

- Florida, Georgia, Maine and West Virginia conformed corporate income taxes to the federal tax code, lowering net corporate income tax revenue in each state.
- Maryland enacted a business tax credit for qualifying aerospace, electronics or defense contracts.
- Mississippi experienced an \$84 million reduction in corporate income tax revenues as a result of a continued phase-in of the inventory tax credit over a four-year period. This measure was originally enacted during the 2012 legislative session.
- New Hampshire enacted reductions in various business taxes for a revenue reduction of \$21.1 million.
- New Mexico reduced the maximum corporate income tax rate from 7.6 to 5.9 percent.
- The New York Legislature enacted an extensive tax package including reductions to the corporate and business taxes. The fiscal impact of these reforms takes effect in out-years, but will cause a reduction in corporate income tax revenue.
- North Carolina's General Fund net tax collections in FY 2016 triggered a 1 percent reduction in the corporate income tax from 4 percent to 3 percent. This is a result of legislation passed in 2015.
- North Dakota continued to phase in a single sales factor apportionment method for calculating the corporate income tax.
- Rhode Island reduced the annual corporate minimum tax to \$400. This is the second consecutive budget to do so.
- Tennessee expanded the minimum requirement to be considered a qualified data center for the purpose of being exempt from the sales and use tax on related equipment. The expansion of the exemption reduced the number of jobs and minimum capital investment required to receive the credit.
- The Washington Legislature expanded the business and occupation tax deduction for amount received for providing chemical dependency services under a government-funded program.
- Virginia increased the cap on the existing Research and Development tax credit and created a new R&D tax credit for firms with R&D spending over \$5 million annually.

Five states raised corporate and business taxes:

- Louisiana made a number of changes to the corporate income tax, resulting in \$84.6 million in new revenue. Changes included expanding the corporate franchise tax to business organizations other than traditional C-corporations, imposing various limitations to the Enterprise Zone Program, and modifying the refundability of inventory credit, including inventory credit available to manufacturers with ad valorem industrial tax exemption benefits.
- Michigan repealed the insurance tax credit, generating \$80 million in additional revenue.
- Oklahoma placed a cap on the Investment/New Jobs tax credit.

Sales and Use Taxes (net increase: \$789 million)

Fifteen states reduced sales and use taxes, while six states raised them. The \$1.2 billion sales tax increase in Louisiana was the main driver behind the net revenue gain in this tax category.

- Arizona introduced a number of sales tax exemptions, including exemptions for agricultural feed, certain aircraft and aircraft equipment, fine art purchased by nonresidents at auction, and a modification to the exemption on natural gas and electricity sold to manufacturers.
- California voters passed Proposition 64 during the 2016 general election, exempting certain sales of medical marijuana from sales tax. This is part of the legislation legalizing recreation marijuana, which will be subject to sales tax.

- Connecticut adopted a sales tax exemption on feminine hygiene products, which will become effective on July 1, 2018.
- Florida, Georgia and Ohio adopted back-to-school sales tax holidays in 2016.
- Florida enacted a permanent sales tax exemption for manufacturing machinery and equipment.
- Georgia adopted a sales tax holiday on energy efficient products.
- The Georgia legislature exempted sales tax on admission to nonrecurring major sporting events. The net decrease in revenue is \$1 million in FY 2017, but is expected to generate at least \$50 million in revenue before its expiration in 2022.
- Iowa expanded the definition of manufacturing consumables exempt from the sales tax.
- Maine adopted a sales tax exemption for fuel used in commercial agriculture, aquaculture, fishing and wood harvesting.
- Maryland enacted a sales tax exemption for construction materials used in qualified redevelopment projects.
- Michigan reduced the state sales tax, creating a revenue reduction of \$380.9 million, in order to create a local use tax. This was done as part of a larger personal property tax reform package adopted in 2012. The combined state and local tax rate remains at 6 percent.
- Minnesota altered the sales tax on modular homes.
- Missouri voters amended the state constitution to prohibit a new state or local sales and use tax on any service or transaction. This applies to any service or transaction that was not subject to a sales and use tax as of Jan. 1, 2015.
- New Jersey decreased the state sales tax rate from 7 percent to 6.875 percent for TY 2017. This is part one of a two-part phase-in. On Jan. 1, 2018, the state sales tax rate will decrease from 6.875 to 6.625 percent as the second part of the phase-in.
- New York enacted a sales tax exemption for the purchase of fuel cells.
- North Carolina enacted a sales and use tax exemption on Styrofoam pellets for wastewater systems materials and repealed a tax on automotive service contracts.
- South Carolina removed the 5 percent sales tax surcharge on car rentals and heavy equipment rentals.

Seven states raised sales taxes:

- Indiana enacted a requirement that contractors collect sales tax on the retail price of construction materials under time and materials contracts rather than the wholesale price of these materials.
- Louisiana underwent significant sales tax reform during the 2016 session. The Legislature raised the state sales tax by 1 percent on the traditional base of transactions and subjected various formerly exempt transactions to the new levy, generating \$1.1 billion in new revenue.
- Louisiana also capped vendor compensation to dealers, generating an additional \$14.6 million in sales and use tax revenue.
- Maine legalized the possession and use of recreational marijuana for persons 21 years of age or older. The bill places a 10 percent sales tax on retail marijuana and marijuana products.
- Pennsylvania imposed a sales tax on digital downloads of various media types, raising \$46.9 million in revenue in FY 2017. The legislature also capped the current vendor discount on timely filed returns, raising an additional \$55.5 million in sales and use tax revenue.

- South Dakota increased the state sales tax rate by 0.5 percent, from 4 percent to 4.5 percent. This sales tax increase was offset by a reduction in property taxes.
- West Virginia legalized the sale of fireworks and enacted a 6 percent sales tax on firework sales.
- West Virginia eliminated the sales tax exemption on durable medical equipment purchased by health care providers.

Health Care Provider and Industry Taxes (net increase: \$1.35 billion)

Four states raised health care provider taxes, while one state reduced them. The \$1.3 billion revenue increase was largely driven by the \$1.1 billion tax increase in California. Actions include:

- California enacted a tax on certain Managed Care Organization (MCO) providers, raising \$1.1 billion in health-care-related tax revenue. The net effect on revenue reflects the sum of the gross tax revenue and a reduction for the amount paid back to MCOs through the increased MediCal managed care payments. This is part of the MCO tax package and is set to expire on June 30, 2019.
- Louisiana increased premium tax on health maintenance organizations (HMOs) from 2.25 percent to 5.5 percent effective for calendar year 2016. This was done in relation to Medicaid expansion in the state.
- Vermont adopted an ambulance provider tax rate of 3.3 percent.
- Wyoming established a private hospital assessment.
- West Virginia increased the gross receipts tax on eligible acute care hospitals, raising \$15 million in new revenue. The state also eliminated the 5 percent behavioral health severance tax and business privilege tax imposed on health care service providers, reducing revenue by \$16 million and resulting in a slight net revenue reduction in the health care tax category.

Tobacco Taxes (net increase: \$1 billion)

Six states increased taxes on tobacco products in 2016:

- California, Louisiana, Pennsylvania and West Virginia raised cigarette taxes.
- California, Pennsylvania and West Virginia enacted taxes on e-cigarettes.

Alcohol-Related Taxes (net increase: \$18.2 million)

One state increased taxes and one state cut taxes on alcoholic beverages in 2016.

- Louisiana increased the excise tax rates on beer and other alcoholic beverages.
- New York adopted an alcoholic beverage production credit to extend to wine, cider and liquor. This legislation also includes a sales tax exemption for alcoholic beverages used for tastings.

Motor Fuel Taxes (net increase: \$923 million)

Three states increased motor fuel taxes. Actions include:

- New Jersey enacted significant fuel tax increases for the first time since 1988. The state increased the gross receipts tax for highway fuels by 12.85 percent or 22.6 cents per gallon. The gross receipts tax on non-highway fuel oil and non-fuel products was increased from 2.75 percent to 7 percent, or 12.4 cents per gallon. The gross receipts tax on diesel fuel was increased to .08 cents per gallon from .04 cents per gallon.

- Michigan raised the gas tax rate and tax for diesel fuels as part of a transportation funding package enacted in November 2015.
- Vermont increased fuel gross receipts tax by .02 cents per gallon. Electricity is excluded from this increase.

Miscellaneous Taxes (net decrease: \$125 million)

Nine states enacted miscellaneous tax changes. Six states raised taxes and three states cut taxes for a net revenue decrease of \$2.4 million.

Miscellaneous tax decreases include:

- California reduced income-related taxes on certain health plans as a part of the MCO tax package.
- New Jersey modified the estate tax to increase the exclusion to \$2 million as of Jan. 1, 2017. The estate tax will be eliminated beginning Jan. 1, 2018.
- Utah adjusted severance tax calculations to exclude royalty revenue.

Examples of increases include:

- California, Maine, Massachusetts and Nevada legalized the possession and use of recreational marijuana by persons 21 years of age and older. The regulatory structures in each state are still being established, but the expected excise tax collections will create out-year revenue increases in each state.
- Louisiana reinstated a 3 percent excise tax on short-term automobile rentals.
- North Carolina expanded the mill machinery tax to metal fabricators and secondary metal recyclers.
- Oklahoma ended a gross production tax incentive for economically at-risk oil and gas leases.
- Oregon increased the statewide transient lodging tax from 1 percent to 1.8 percent.
- West Virginia enacted a 12 percent safety tax on all retail sales of newly legalized fireworks.
- Pennsylvania adopted various miscellaneous tax changes for a net revenue increase in this tax category.

Fees (net increase: \$297 million)

In addition to taxes, 15 states relied on new fees and fee increases to help shore up revenues, while five states reduced them. For example:

- Alaska increased hunting, fishing and trapping fees and added new fees for the Geologic Materials Center.
- California increased hazardous waste permitting fees in order to address permitting backlogs at the Department of Toxic Substances Control.
- Colorado and Florida increased various records retention fees.
- Idaho adopted a surcharge for penalties directed to the general fund rather than specific purposes.
- Kansas increased the vehicle registration fee from \$39 to \$42.25 annually to increase funding for highway patrol and law enforcement training.
- Louisiana authorized the increase of the per-bed per-day fee charged to nursing facilities.
- Oklahoma reissued the official state license plate with a new design, raising \$13 million in additional revenue.

- New York allowed state flagship schools to increase out-of-state tuition by 10 percent.
- Vermont increased mutual fund and broker-dealer registration fees.

Examples of fee decreases include:

- Florida adopted an out-of-state college tuition fee waiver for active-duty service members.
- New York reduced the Highway Use Tax Registration and Decal fee from \$19 to \$1.50. This led to a revenue decrease of \$59 million.

Other Revenues (net increase: \$129million; accelerations: -\$49 million; other: +\$178 million)

States also made nontax policy changes to impact FY 2017 revenue collections. Several states found new revenue through enhanced compliance efforts or tax amnesty programs.

Examples of accelerations and decelerations:

- Vermont accelerated the collection schedule for various taxes from quarterly to monthly.
- Arizona accelerated a tax reduction of the insurance premium tax, resulting in a revenue reduction for FY 2017.
- Florida and Virginia decelerated revenue collections for various taxes.

Examples of other changes include:

- Arizona and Pennsylvania established tax amnesty programs.
- Oklahoma, Rhode Island and Virginia enhanced tax compliance efforts.

Overall, the 50 reporting states made tax, fee and other revenue changes that will result in an anticipated \$2.8 billion increase in total revenues for FY 2017.

Tax changes in 2016 as a percentage of 2015 tax collections are listed in Appendix A. State changes by tax type are in Appendix B. Appendix C shows both tax and nontax revenue changes by state. Property tax actions are discussed in Appendix D. Tax changes by state are displayed in Appendix E and detailed changes by type of tax are presented in Appendix F.

Appendix A.

2016 TAX CHANGES AS A PERCENTAGE OF 2015 TAX COLLECTIONS

Jurisdiction	Net Tax Changes (in millions of dollars)	Percent of 2015 Taxes
Alabama	-\$15.0	-0.2%
Alaska	\$0.0	0.0%
Arizona	-\$21.6	-0.2%
Arkansas	\$0.0	0.0%
California	\$1,138.0	0.8%
Colorado	\$0.0	0.0%
Connecticut	\$0.0	0.0%
Delaware	-\$8.2	-0.2%
Florida	-\$28.0	-0.1%
Georgia	-\$211.0	-1.1%
Hawaii	-\$5.0	-0.1%
Idaho	-\$28.7	-0.7%
Illinois	\$0.0	0.0%
Indiana	-\$406.3	-2.3%
Iowa	\$1.7	0.0%
Kansas	\$0.0	0.0%
Kentucky	\$0.0	0.0%
Louisiana	\$1,591.6	16.4%
Maine	\$23.2	0.6%
Maryland	-\$8.5	0.0%
Massachusetts	-\$226.0	-0.8%
Michigan	-\$96.2	-0.4%
Minnesota	-\$23.6	-0.1%
Mississippi	-\$84.0	-1.1%
Missouri	-\$88.3	-0.7%
Montana	\$2.8	0.1%
Nebraska	-\$2.9	-0.1%
Nevada	\$0.0	0.0%
New Hampshire	-\$21.1	-0.8%
New Jersey	\$554.4	1.8%
New Mexico	-\$115.8	-1.9%
New York	-\$118.0	-0.2%
North Carolina	-\$123.6	-0.5%
North Dakota	-\$7.5	-0.1%
Ohio	-\$42.0	-0.1%
Oklahoma	\$171.0	1.8%
Oregon	\$13.4	0.1%
Pennsylvania	\$633.3	1.8%
Rhode Island	-\$10.6	-0.3%
South Carolina	-\$19.7	-0.2%
South Dakota	\$107.0	6.4%
Tennessee	-\$33.8	-0.3%
Texas	\$0.0	0.0%
Utah	-\$3.8	-0.1%
Vermont	\$5.0	0.2%
Virginia	\$0.9	0.0%
Washington	-\$1.9	0.0%
West Virginia	\$73.6	1.3%
Wisconsin	-\$228.6	-1.3%
Wyoming	\$4.6	0.2%
Total	\$2,340.8	0.3%

Source: National Conference of State Legislatures' survey of legislative fiscal offices, 2016; and U.S. Census Bureau, 2016

Appendix B.

2016 TAX CHANGES BY TYPE OF TAX (IN MILLIONS OF DOLLARS)

Jurisdiction	Personal Income	Corporate Income	Sales & Use	Health Care	Tobacco	Alcoholic Beverage	Motor	Misc.	Total
Alabama	\$0.0	-\$15.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$15.0
Alaska	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Arizona	-\$12.3	\$0.0	-\$9.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$21.6
Arkansas	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
California	\$0.0	-\$90.0	-\$30.0	\$1,100.0	\$368.0	\$0.0	\$0.0	-\$210.0	\$1,138.0
Colorado	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Connecticut	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Delaware	\$0.0	-\$8.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$8.2
Florida	\$0.0	-\$3.2	-\$24.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$25.6
Georgia	-\$77.8	-\$89.3	-\$43.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$211.0
Hawaii	-\$5.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$5.0
Idaho	-\$28.7	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$28.7
Illinois	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Indiana	-\$212.8	-\$199.9	\$6.4	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$406.3
Iowa	\$23.0	\$0.0	-\$21.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$1.7
Kansas	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Kentucky	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Louisiana	\$17.0	\$84.6	\$1,167.5	\$244.0	\$46.0	\$19.2	\$0.0	\$13.3	\$1,591.6
Maine	\$30.7	-\$6.7	-\$0.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$23.2
Maryland	\$0.0	-\$7.5	-\$1.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$8.5
Massachusetts	-\$226.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$226.0
Michigan	\$0.0	\$80.0	-\$380.9	\$0.0	\$0.0	\$0.0	\$204.7	\$0.0	-\$96.2
Minnesota	-\$22.6	\$0.0	-\$1.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$23.6
Mississippi	\$0.0	-\$84.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$84.0
Missouri	-\$88.3	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$88.3
Montana	\$2.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.8
Nebraska	\$0.0	\$0.0	-\$2.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$2.9
Nevada	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
New Hampshire	\$0.0	-\$21.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$21.1
New Jersey	-\$62.0	\$0.0	-\$82.4	\$0.0	\$0.0	\$0.0	\$714.8	-\$16.0	\$554.4
New Mexico	\$0.0	-\$115.8	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$115.8
New York	-\$98.0	-\$15.0	-\$4.0	\$0.0	\$0.0	-\$1.0	\$0.0	\$0.0	-\$118.0
North Carolina	-\$145.0	\$0.0	\$19.8	\$0.0	\$0.0	\$0.0	\$0.0	\$1.6	-\$123.6
North Dakota	\$0.0	-\$7.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$7.5
Ohio	\$0.0	-\$20.0	-\$22.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$42.0
Oklahoma	\$110.1	\$9.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$51.8	\$175.3
Oregon	-\$1.8	\$1.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$13.6	\$13.4
Pennsylvania	\$15.8	\$0.0	\$102.4	\$0.0	\$495.7	\$0.0	\$0.0	\$19.4	\$633.3
Rhode Island	-\$9.0	-\$1.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$10.6
South Carolina	-\$17.8	\$0.0	-\$1.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$19.7
South Dakota	\$0.0	\$0.0	\$107.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$107.0
Tennessee	-29.7	-\$4.1	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$33.8
Texas	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Utah	\$0.0	-\$2.6	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$1.2	-\$3.8
Vermont	\$0.0	\$0.0	\$0.0	\$1.2	\$0.0	\$0.0	\$3.8	\$0.0	\$5.0
Virginia	\$0.0	\$0.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$2.8
Washington	\$0.0	-\$1.9	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$1.9
West Virginia	-\$14.0	-\$27.0	\$14.9	-\$1.0	\$98.5	\$0.0	\$0.0	\$2.2	\$73.6
Wisconsin	-\$32.9	-\$192.5	-\$3.2	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$228.6
Wyoming	\$0.0	\$0.0	\$0.0	\$4.6	\$0.0	\$0.0	\$0.0	\$0.0	\$4.6
Total	-\$884.3	-\$736.7	\$788.6	\$1,348.8	\$1,008.2	\$18.2	\$923.3	-\$125.3	\$2,340.8

Source: National Conference of State Legislatures' survey of legislative fiscal offices, 2016

Appendix C.

2016 NET REVENUE CHANGES (IN MILLIONS OF DOLLARS)

Jurisdiction	Taxes	Fees	Accelerations	Other	Total Revenue
Alabama	-\$15.0	\$0.0	\$0.0	\$0.0	-\$15.0
Alaska	\$0.0	\$2.8	\$0.0	\$0.0	\$2.8
Arizona	-\$21.6	\$0.0	-\$2.4	\$0.0	-\$24.0
Arkansas	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
California	\$1,138.0	\$3.6	\$0.0	\$0.0	\$1,141.6
Colorado	\$0.0	\$4.2	\$0.0	\$0.0	\$4.2
Connecticut	\$0.0	-\$4.5	\$0.0	\$0.0	-\$4.5
Delaware	-\$8.2	\$0.0	\$0.0	\$0.0	-\$8.2
Florida	-\$25.6	-\$3.2	-\$13.7	\$0.0	-\$42.5
Georgia	-\$211.0	\$0.0	\$0.0	\$0.0	-\$211.0
Hawaii	-\$5.0	\$0.0	\$0.0	\$0.0	-\$5.0
Idaho	-\$28.7	\$2.9	\$0.0	\$0.0	-\$25.8
Illinois	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Indiana	-\$406.3	\$0.0	\$0.0	\$0.0	-\$406.3
Iowa	\$1.7	\$0.0	\$0.0	\$0.0	\$1.7
Kansas	\$0.0	\$9.1	\$0.0	\$0.0	\$9.1
Kentucky	\$0.0	\$1.0	\$0.0	\$0.0	\$1.0
Louisiana	\$1,591.6	\$19.4	\$0.0	\$18.9	\$1,629.9
Maine	\$23.2	\$0.0	\$0.0	\$0.0	\$23.2
Maryland	-\$8.5	-\$3.6	\$0.0	-\$2.1	-\$14.2
Massachusetts	-\$226.0	\$0.0	\$0.0	\$0.0	-\$226.0
Michigan	-\$96.2	\$172.5	\$0.0	\$0.0	\$76.3
Minnesota	-\$23.6	\$0.0	\$0.0	\$0.0	-\$23.6
Mississippi	-\$84.0	\$0.0	\$0.0	\$0.0	-\$84.0
Missouri	-\$88.3	\$0.0	\$0.0	\$0.0	-\$88.3
Montana	\$2.8	\$0.0	\$0.0	\$0.0	\$2.8
Nebraska	-\$2.9	\$0.0	\$0.0	\$0.0	-\$2.9
Nevada	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
New Hampshire	-\$21.1	\$0.0	\$0.0	\$0.0	-\$21.1
New Jersey	\$554.4	\$0.0	\$0.0	\$0.0	\$554.4
New Mexico	-\$115.8	\$0.0	\$0.0	\$0.0	-\$115.8
New York	-\$118.0	-\$37.0	\$0.0	\$0.0	-\$155.0
North Carolina	-\$123.6	\$0.0	\$0.0	\$0.0	-\$123.6
North Dakota	-\$7.5	\$0.0	\$0.0	\$0.0	-\$7.5
Ohio	-\$42.0	\$0.0	\$0.0	\$0.0	-\$42.0
Oklahoma	\$175.3	\$13.0	\$0.0	\$46.6	\$234.9
Oregon	\$13.4	\$0.0	\$0.0	\$0.0	\$13.4
Pennsylvania	\$633.3	\$73.2	\$0.0	\$100.0	\$806.5
Rhode Island	-\$10.6	-\$1.3	\$0.0	\$16.2	\$4.3
South Carolina	-\$19.7	\$0.0	\$0.0	\$0.0	-\$19.7
South Dakota	\$107.0	\$0.0	\$0.0	\$0.0	\$107.0
Tennessee	-\$33.8	\$5.2	\$0.0	-\$4.9	-\$33.5
Texas	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Utah	-\$3.8	\$0.0	\$0.0	\$0.0	-\$3.8
Vermont	\$5.0	\$35.4	\$3.8	\$0.0	\$44.2
Virginia	\$2.8	\$0.0	-\$36.7	\$3.6	-\$30.3
Washington	-\$1.9	\$0.0	\$0.0	\$0.0	-\$1.9
West Virginia	\$73.6	\$0.0	\$0.0	\$0.0	\$73.6
Wisconsin	\$0.0	\$4.3	\$0.0	\$0.0	\$0.0
Wyoming	\$4.6	\$0.0	\$0.0	\$0.0	\$4.6
Total	\$2,340.8	\$297.0	-\$49.0	\$178.3	\$2,767.1

Source: National Conference of State Legislatures' survey of legislative fiscal offices, 2016

Appendix D.

PROPERTY TAX ACTIONS IN 2016

- **Alabama** amended its state constitution to give municipalities and counties increased discretion over the tax increment districts developed within a Major 21st Century Manufacturing Zone.
- **Florida** enacted a value adjustment board interest rate reduction from 12 percent to the prime rate, resulting in a revenue gain of \$5.7 million.
- **Florida** approved two constitutional amendments during the 2016 general election. The first revised the homestead tax exemption that may be granted for certain senior, low-income, long-term residents to specify that just value is determined in the first tax year the owner applies and is eligible for the exemption. The state estimated a revenue reduction between \$0.5 million and \$1.6 million in FY 2017, depending on the number of municipalities to adopt the exemption.

The second amendment authorized a first responder disabled from injuries sustained in the line of duty to receive relief from ad valorem taxes assessed on homestead property. The local revenue impact is indeterminate.

- **Indiana** enacted a farmland base valuation per-acre change. The total cost to the state is projected to be \$1.7 million in FY 2017 and \$7 million in FY 2018.
- **Kansas** accelerated the effective date of property “tax-lid” from 2018 to 2017. This measure requires city and county governments to hold a public vote if they want to raise spending by more than the adjusted Consumer Price Index set by the state. It is now scheduled to take effect in the summer of 2017.
- **Louisiana** approved an amendment to the state constitution during the 2016 general election authorizing an exemption from ad valorem property tax for the total assessed value of the homestead for a surviving partner of a member of the armed forces who died while on active duty or of a state police, law enforcement or fire protection officers who died while performing their duties.
- **Maryland** adopted a property tax exemption for certain cranes located on state property, resulting in a revenue reduction of \$2.2 million.
- **Michigan** modified the treatment of certain property under the Essential Services Assessment. This adds provisions to address value of property where construction is in progress at half the acquisition cost. It also addresses property currently exempt under an industrial facilities certificate that will now fall under personal property exemptions. These modifications will result in a revenue reduction of \$4.1 million.
- **Nebraska** increased the property tax credit appropriation, resulting in revenue reduction of \$20 million in FY 2018.
- **South Carolina** enacted an additional five years of eligibility for a multiple lot discount in certain circumstances for undeveloped acreage in subdivision lots. This measure sunset on Dec. 31, 2016 and the cost to the state is expected to be \$1.6 million in FY 2017.
- The **South Dakota** Legislature reduced the property tax rate for the school district general fund levy. K-12 school property tax funding was revised. The cost to the state is \$40 million in FY 2017, but was offset by a 0.5 increase in the state sales tax rate raising, \$107 million in new revenue for teacher salaries.
- **Utah** approved a constitutional amendment during the 2016 general election, allowing property leased by the state or a political subdivision of the state to be exempt from property tax. The amendment has no fiscal impact on state or local government revenue, but may result in a slight shift of the property tax burden to residential homes and businesses.
- **Vermont** reduced the statewide property tax rates from \$1.535 to \$1.527 per \$100 of assessed property value. This measure includes a base increase, raising \$9.9 million in new revenue.
- **Virginia** adopted a constitutional amendment during the 2016 general election, allowing a locality to exempt from taxation the real property of the surviving spouse of any law-enforcement officer, firefighter, search and rescue personnel, or emergency medical services personnel killed in the line of duty. The exemption from taxation would cease if the surviving spouse remarries. The Department of Taxation indicates the impact to local revenues is currently unknown.

Appendix E.

2016 TAX AND REVENUE CHANGES BY STATE

This appendix shows by state the tax and revenue changes that took place in 2016 regular and special legislative sessions—and in the November 2016, general election—that will affect state revenues in FY 2017 (for most states July 1, 2016 to June 30, 2017) and FY 2018 (for most states July 1, 2017 to June 30, 2018). Tax changes by major tax category appear in Appendix F.

“Tax Revenue” for each state reports the revenue effect of tax actions for the fiscal year.

“Revenue Total” reports the total amount of state revenue change. It combines revenue derived from tax actions with other revenue changes such as fee increases, accelerated and decelerated revenue collections, and other one-time changes.

Changes effective in a certain fiscal year as a result of legislation passed and reported in an earlier year are noted by ** and are not reflected in the totals. Recurring changes made for state policy reasons are not reflected in the totals. This appendix does not include changes in unemployment compensation.

The following abbreviations are used:

AGI	Adjusted Gross Income	IRC	Internal Revenue Code
ARRA	American Recovery and Reinvestment Act	LLC	Limited Liability Corporation
B&O	Business and Occupation	LLP	Limited Liability Partnership
CAT	Commercial Activity Tax	NOL	Net Operating Loss
CPI	Consumer Price Index	R&D	Research and Development
EITC	Earned Income Tax Credits	REIT	Real Estate Investment Trust
GRF	General Revenue Fund	SSTP	Streamlined Sales Tax Project
HMO	Health Maintenance Organization	TY	Tax Year

Appendix E. 2016 Tax and Revenue Changes by State

Jurisdiction	Description	Revenue FY 2017 (in millions)	Revenue FY 2018 (in millions)
Alabama	Created an income tax credit for contributions to health savings accounts (-\$2.7 million beginning in FY 2019).	\$0.0	\$0.0
	Enacted a port tax credit for increased use of state port facilities capped at \$5 million a year. The credit is not to exceed \$12 million for the life of the program.	-\$5.0	-\$5.0
	Created a Growing Alabama tax credit for cash donations to an approved local economic development organization. The credit is not to exceed 50 percent of current year tax liability of taxpayer (corporate and individual combined). The credit is set to expire on Sept. 30, 2020.	-\$10.0	-\$10.0
	Adopted an apprenticeship tax credit of \$1,000 for each apprentice employed. The credit is capped annually at \$3 million (also applies to financial institution excise tax) and is set to expire on Dec. 31, 2021.	\$0.0	-\$3.0

Appendix E. 2016 Tax and Revenue Changes by State

Jurisdiction	Description	Revenue FY 2017 (in millions)	Revenue FY 2018 (in millions)
Alabama, continued	Extended current assessment on private hospitals and changed the base year for calculating the assessment. (If the assessment was not extended, Medicaid would lose \$257.5 million based on FY 2015 receipts.) Base year change from FY 2011 to FY 2014. The extension terminates on Sept. 30, 2017. No change in taxpayer liability. See Appendix D for property tax actions.	\$6.0**	\$6.0**
	Tax Revenue	-\$15.0	-\$18.0
	Revenue Total	-\$15.0	-\$18.0
Alaska	Modified various oil and gas tax credits.	\$0.0	\$15.0
	Tax Revenue	\$0.0	\$15.0
	Increased hunting, fishing and trapping fees.	\$2.7	\$9.1
	Enabled fees for Geologic Materials Center.	\$0.1	\$0.2
	Non-Tax Revenue	\$2.8	\$9.3
	Revenue Total	\$2.8	\$24.3
Arizona	Increased the maximum amount claimed as a tax credit for contributions to charitable organizations.	-\$2.6	\$0.0
	Extended due date to claim tax credit for contributions to charitable organizations until the 15th day of the fourth month following the close of the taxable year (which would be April 15 for most taxpayers).	-\$1.7	\$0.0
	Increased the state individual income tax deduction from 10 percent to 100 percent of the amount allowed for federal bonus depreciation over two years.	-\$8.0	-\$8.0
	Adopted a sales tax exemption on agricultural feed used in non-commercial boarding of livestock.	-\$1.0	\$0.0
	Adopted a sales tax exemption on aircraft and aircraft equipment operated by charter airlines.	\$0.0	-\$2.3
	Adopted a sales tax exemption on fine art purchased by nonresidents at an auction or a gallery in the state, for use outside the state.	-\$1.3	\$0.0
	Modified the existing sales tax exemption on electricity and natural gas sold to manufacturers and smelters.	-\$7.0	-\$7.0
	Tax Revenue	-\$21.6	-\$17.3
	Accelerated a previously enacted 0.3 percent gradual reduction of the insurance premium tax rate from 11 years to six years. The rate will change from 2 percent to 1.7 percent when fully phased in by 2021.	-\$2.4	-\$4.1
	Established a Tax Amnesty Program that waives penalties and interest on unpaid individual income, corporate income and sales tax liabilities. Taxpayers have the option to pay their taxes owed all at once in FY 2017, or over three years, from FY 2017 to FY 2019. The program is set to expire on Oct. 31, 2018.	N.A.	N.A.
	Non-Tax Revenue	-\$2.4	-\$4.1
Revenue Total	-\$24.0	-\$21.4	
Arkansas	No significant tax changes in 2016.	N.A.	N.A.

Appendix E. 2016 Tax and Revenue Changes by State

Jurisdiction	Description	Revenue FY 2017 (in millions)	Revenue FY 2018 (in millions)
California	Reduced income-related taxes on certain health plans. Specified income excluded from gross income for purposes of corporate income taxation. This is part of state's Managed Care Organization (MCO) tax package, passed during special session in early 2016. This reduction is set to expire on June 30, 2019.	-\$90.0	-\$90.0
	Enacted a tax on certain Managed Care Organization (MCO) providers. The tax consists of various taxing tiers and per enrollee amounts. The net effect on revenue reflects the sum of gross tax revenue and a reduction for the amount paid back to MCOs through increased MediCal managed care payments. This is part of the MCO tax package and is set to expire on June 30, 2019.	\$1,100.0	\$1,700.0
	Reduced income-related taxes on certain health plans. This change affects certain premium income of health plan related insurers. The tax rate has been reduced from 2.35 percent to 0 percent. This is part of the MCO tax package and is set to expire on June 30, 2019.	-\$210.0	-\$350.0
	Enacted Proposition 56, which increased the cigarette tax by \$2 per pack, with equivalent increases on other tobacco products and electronic cigarettes containing nicotine. This increase is expected to raise \$1.4 billion in new revenue in FY 2018. Of this total, it is estimated that \$24 million will come from taxes on electronic cigarettes.	\$368.0	\$1,400.0
	Enacted Proposition 55, extending for 12 years the temporary personal income tax increases enacted in 2012 on earnings over \$250,000 (for single filers; over \$500,000 for joint filers; over \$340,000 for heads of household). Extension will not take effect until tax year 2019. No change in taxpayer liability.	N.A.**	N.A.**
	Enacted Proposition 64, exempting certain sales of medical marijuana from state sales tax. Passed as part of Proposition 64 legalizing adult use of recreational marijuana.	-\$30.0	\$30.0
	Enacted Proposition 64, legalizing recreational marijuana and hemp under state law. Designated state agencies to license and regulate marijuana industry. Imposed state excise tax on retail sales of marijuana equal to 15 percent of sales price, and state cultivation taxes on marijuana of \$9.25 per ounce of flowers and \$2.75 per ounce of leaves. Exempts medical marijuana from some taxation. This measure also allows for local regulation and taxation of marijuana. The legalization is estimated to raise \$560 million in new revenue in FY 2019 and out years.	\$0.0	\$0.0
	Tax Revenue	\$1,138.0	\$2,690.0
	Increased hazardous waste permitting fees, in part to address permitting backlogs at the Department of Toxic Substances Control.	\$3.6	N.A.
	Extended hospital quality assurance fee for one year to Jan. 1, 2018. No change in taxpayer liability.	N.A.**	\$850.0**
	Non-Tax Revenue	\$3.6	\$0.0
	Revenue Total	\$1,141.6	\$2,690.0

Appendix E. 2016 Tax and Revenue Changes by State

Jurisdiction	Description	Revenue FY 2017 (in millions)	Revenue FY 2018 (in millions)
Colorado	Extended the number of years, from two to five, in which the Colorado Housing and Finance Authority (CHFA) may allocate low-income housing income tax credits for the development of low-income housing. The bill decreases revenue by a total of \$90 million spread out over 12 tax years. The program is set to expire on Jan. 1, 2020. No change in taxpayer liability.	\$0.0**	-\$1.5**
	Tax Revenue	\$0.0	\$0.0
	Increased fees for driver's licenses and related services.	\$1.1	\$1.9
	Created a monthly surcharge on all mobile wireless and Voice-over-Internet Protocol (VoIP) subscribers of 5 cents per line per month (60 cents per year). The additional surcharge revenue will be used to cover annual appropriations to the Reading Services for the Blind Cash Fund in the Colorado Department of Education (CDE) and the Colorado Commission for the Deaf and Hard of Hearing Cash Fund in the Department of Human Services (DHS).	\$2.2	\$2.2
	Created a surcharge of \$1-\$2 (determined administratively) on all documents that a county clerk and recorder retains for recording or filing certain documents related to real estate deeds or tax liens. Fee revenue goes to an enterprise fund in the Secretary of State's office and is exempt from the state's constitutional revenue limit. The surcharge repeals on Dec. 31, 2021.	\$0.9	\$1.8
	Non-Tax Revenue	\$4.2	\$5.9
	Revenue Total	\$4.2	\$5.9
Connecticut	Postponed the sunset of the Angel Investor Tax Credit to July 1, 2019. No change in taxpayer liability.	-\$3.0**	-\$3.0**
	Adopted a sales tax exemption for feminine hygiene products and disposable or reusable (non-adult) diapers. This exemption removes approximately \$7.8 million from the tax base beginning on July 1, 2018.	\$0.0	-\$7.8
	Tax Revenue	\$0.0	-\$7.8
	Capped probate court fees at \$40,000 total for settling estates valued at \$8.877 million. This change impacts the Probate Court Administration Fund and partially reverses a policy in last year's budget that eliminated the \$12,500 cap on estates over \$2 million.	-\$4.5	-\$4.5
	Non-Tax Revenue	-\$4.5	-\$4.5
	Revenue Total	-\$4.5	-\$12.3
Delaware	Adopted a change in income apportionment calculation.	-\$8.2	-\$17.6
	Enacted a tax credit for research and development.	\$0.0	-\$3.5
	Tax Revenue	-\$8.2	-\$21.1
	Revenue Total	-\$8.2	-\$21.1
Florida	Conformed with federal tax code. Adopted Section 179 Expensing Internal Revenue Code.	-\$3.2	-\$1.5
	Enacted a phase-out of the asphalt tax.	-\$0.5	-\$1.0
	Enacted a sales tax exemption for certain sales by Veteran Service Organizations.	-\$1.2	-\$1.4
	Adopted a Back-to-School sales tax holiday for calendar year 2016.	-\$22.9	-\$0.0
	Expanded the medical use of cannabis.	\$1.5	\$3.1
	Enacted a sales tax exemption for metal recyclers.	-\$1.7	-\$1.8

Appendix E. 2016 Tax and Revenue Changes by State

Jurisdiction	Description	Revenue FY 2017 (in millions)	Revenue FY 2018 (in millions)
Florida, continued	Enacted a permanent sales tax exemption for manufacturing machinery and equipment.	-\$0.0	-\$62.8
	Tax Revenue	-\$17.5	-\$55.6
	Adopted an out-of-state college tuition fee waiver for active duty service members.	-\$1.0	-\$1.1
	Enacted a concealed weapon license fee reduction.	-\$3.5	-\$2.8
	Enacted fingerprint retention fees.	\$1.3	\$1.1
	Corporate income tax due date changes.	-\$13.7	Indeterminate
	See Appendix D for property tax actions.		
	Non-Tax Revenue	-\$16.9	-\$2.8
	Revenue Total	-\$34.4	-\$58.4
Georgia	Conformed to the federal tax code by enacting an exclusion for discharged home mortgage debt.	-\$9.1	-\$0.8
	Conformed to the federal tax code by adopting mortgage insurance premiums as a deductible.	-\$4.8	-\$0.5
	Conformed to the federal tax code by updating other miscellaneous items less than \$5 per year.	-\$19.7	\$12.9
	Adopted an income deduction for contribution to college savings plans for married taxpayers filing jointly.	-\$2.0	-\$2.3
	Enacted personal tax credits for contributions to "rural hospital organizations" and "critical access hospitals."	-\$25.0	-\$55.0
	Enacted personal tax credits for land donated to the state for conservation use. These credits are set to expire on Dec. 31, 2021.	-\$17.2	-\$17.2
	Enacted corporate tax credits for contributions to "rural hospital organizations" and "critical access hospitals."	N.A.	N.A.
	Conformed to federal tax code by updating research tax credit.	-\$43.1	-\$45.5
	Conformed to federal tax code by updating limitation in Section 179 to \$500,000, expensing made permanent.	-\$46.2	-\$28.9
	Extended sales tax exemption for construction of competitive projects of regional significance. The exemption is now set to expire on June 30, 2019. No change in taxpayer liability.	-\$4.3**	-\$8.6**
	Created a sales tax exemption on admission to non-recurring major sporting events. This is expected to generate at least \$50 million in state revenue. The tax exemption is set to expire on Dec. 31, 2022.	-\$0.9	-\$2.6
	Adopted a sales tax holiday on energy efficient products. The tax holiday was valid from Sept. 30, 2016 to Oct. 2, 2016.	-\$1.0	\$0.0
	Adopted a Back-to-School sales tax holiday on July 30, 2016.	-\$42.0	\$0.0
	Tax Revenue	-\$211.0	-\$165.7
	Revenue Total	-\$211.0	-\$165.7

Appendix E. 2016 Tax and Revenue Changes by State

Jurisdiction	Description	Revenue FY 2017 (in millions)	Revenue FY 2018 (in millions)
Hawaii	Adopted an organic food production credit. The credit is set to sunset on Dec. 31, 2021.	-\$2.0	-\$2.0
	Adopted a renewable fuels income tax credit. The credit is set to sunset on Dec. 31, 2021.	-\$3.0	-\$3.0
	Tax Revenue	-\$5.0	-\$5.0
	Low-Income Housing Tax Credits (LIHTC) Acceleration. The acceleration is set to terminate on Dec. 31, 2021.	N.A.	N.A.
	Non-Tax Revenue	N.A.	N.A.
	Revenue Total	-\$5.0	-\$5.0
Idaho	Conformed personal income taxes to the federal tax code.	-\$28.7	-\$28.7
	Tax Revenue	-\$28.7	-\$28.7
	Adopted a surcharge for penalties directed to General Fund rather than specific purposes.	\$2.9	\$2.9
	Non-Tax Revenue	\$2.9	\$2.9
Revenue Total	-\$25.8	-\$25.8	
Illinois	No significant tax changes in 2016.	N.A.	N.A.
Indiana	Phased in rate reduction of the individual income tax from 3.4 percent in tax year (TY) 2014 to 3.23 percent in TY 2017. Changed rate from 3.4 percent to 3.3 percent in TY 2015 and TY 2016 and 3.23 percent in years after that. Original legislation enacted in 2013 legislative session.	-\$197.4	-\$270.3
	Conformed personal income taxes to the federal tax code.	-\$15.4	-\$12.2
	Expanded eligibility for dependent exemption, effective Jan. 1, 2018.	-\$0.0	-\$0.0
	Phased in reduction of corporate income tax from 8.5 percent in FY 2012 to 6.5 percent in FY 2016, originally adopted in the 2011 legislative session. In the 2014 session, the corporate income tax rate was further phased down from 6.5 percent in FY 2016 to 4.9 percent in FY 2022 and thereafter. The rate for FY 2017 is 6.25 percent, to be phased down to 6.0 percent in FY 2018.	-\$167.6	-\$193.5
	Phased in reduction of financial institution tax (FIT) from 8.5 percent in calendar year (CY) 2013 to 6.5 percent in CY 2017. The original legislation was adopted in the 2013 session and the law also changed the distributions of the FIT revenues. In the 2014 session, the FIT rate was further phased down from 6.5 percent in CY 2018 to 4.9 percent in CY 2023 and thereafter. The rate for CY 2017 and CY 2018 will be 6.5 percent.	-\$32.3	-\$26.3
	Expanded the eligibility for the Industrial Recovery tax credit.	\$0.0	-\$1.7
	Extended the Venture Capital Investment tax credit to Dec. 31, 2020. No change in taxpayer liability.	N.A.**	-\$5.4**
	Extended the Hoosier Business Investment tax credit to Dec. 31, 2020. No change in taxpayer liability.	N.A.**	-\$8.9**
	Enacted a requirement that contractors collect sales tax on the retail price of construction materials under time and materials contracts. This change reverses a tax court decision that would have required the Department of Revenue to issue refunds. Previously, use tax was due on the wholesale price of these construction materials.	\$7.9	\$7.9

Appendix E. 2016 Tax and Revenue Changes by State

Jurisdiction	Description	Revenue FY 2017 (in millions)	Revenue FY 2018 (in millions)
Indiana, continued	Enacted a requirement that a person who rents rooms in a house, condo or apartment for less than 30 days must collect sales tax.	Indeterminate, but a potentially significant increase	Indeterminate, but a potentially significant increase
	Adopted a sales tax exemption for legal tender, coins and bullion.	-\$1.5	-\$1.5
	See Appendix D for property tax actions.		
	Tax Revenue	-\$406.3	-\$497.6
	Revenue Total	-\$406.3	-\$497.6
Iowa	Conformed personal income taxes to the federal tax code for TY 2015 only.	\$23.0	\$0.0
	Extended the solar energy tax credit. The credit now expires after TY 2021.	\$0.0	-\$2.5
	Enacted a new version of the Geothermal Energy tax credit.	\$0.0	-\$1.5
	Enacted a renewable chemical tax credit. The negative revenue impact begins FY 2019 with an expected net revenue of -\$92.5 million between FY 2019 and FY 2031. This credit is offset by reductions in other tax credits.	\$0.0	\$0.0
	Expanded the definition of sales tax exempt manufacturing consumables.	-\$21.3	-\$22.4
	Extended the Environmental Protection Charge for motor fuel taxes. The \$0.01 per gallon tax was extended six months and expired on Dec. 31, 2016. No change in taxpayer liability.	\$7.0**	\$0.0**
	Tax Revenue	\$1.7	-\$26.4
Revenue Total	\$1.7	-\$26.4	
Kansas	Effective date of e-cigarette tax decelerated from July 1, 2016 to Jan. 1, 2017.	\$0.0	-\$1.0
	Tax Revenue	\$0.0	-\$1.0
	Enacted new fees of \$3.25 annually for each vehicle to increase highway patrol and law enforcement training funding. Increased fee from \$39.00 to \$42.25.	\$9.1	\$0.0
	See Appendix D for property tax actions.		
	Non-Tax Revenue	\$9.1	\$0.0
Revenue Total	\$9.1	-\$1.0	
Kentucky	Created a felony record expungement petition filing fee. The fee is \$500.	\$1.0	\$1.0
	Non-Tax Revenue	\$1.0	\$1.0
	Revenue Total	\$1.0	\$1.0
Louisiana	Increased the excise tax rates on beer and other alcoholic beverages. Inventories on hand are not subject to the rate increase.	\$19.2	\$19.3
	Reinstated a 3 percent excise tax on short-term automobile rentals, with a 2.5 percent tax for state government and a 0.5 percent tax for local entities.	\$5.0	\$5.0
	Expanded the corporate franchise tax to other forms of business organizations other than traditional C-corporations. The bill also provided an exception for subsidiaries of S-corps purchased between Jan. 1, 2012 and Jan. 1, 2014.	\$10.3	\$89.3

Appendix E. 2016 Tax and Revenue Changes by State

Jurisdiction	Description	Revenue FY 2017 (in millions)	Revenue FY 2018 (in millions)
Louisiana, continued	Imposed various limitations to the Enterprise Zone Program, with accumulating state revenue gains as program costs are diminished.	\$0.0	\$2.0
	Modified the refundability of inventory credit by establishing a tiered structure that effectively reduces the aggregate amount of credit that is refundable in excess of offsetting tax liabilities. Credit balances not refundable are allowed a five-year carry-forward against future tax liabilities. Applicable to all tax returns filed on and after July 1, 2016.	\$17.3	\$17.3
	Modified the refundability of inventory credit available to manufacturers with ad valorem industrial tax exemption benefits. Credit available in excess of tax liabilities are not to be refunded, but are allowed a five-year carry-forward against future tax liabilities. Applicable to all tax returns filed on and after July 1, 2016.	\$57.0	\$57.0
	Increased the state sales tax rate by 1 percent on the traditional base of transactions. It also subjected various formerly exempt transactions to the new levy. This tax increase is set to expire on June 30, 2018.	\$880.6	\$880.6
	Passed legislation which subjects formerly exempt transactions to the state sales tax. This measure is set to expire on June 30, 2018.	\$272.3	\$272.3
	Capped vendor compensation to dealers remitting state sales tax at \$1,500 per month (\$18,000 per year), and compensation is only allowed on the original 4.0 percent sales tax rate.	\$14.6	\$14.6
	Expanded the definition of hotel to include establishments with any number of rooms including residential locations furnished to transient guests. The receipts are received by the general sales tax, but are generally dedicated to the local area from which they are generated.	Increase	Increase
	Renewed a 1 percent state sales tax on interstate telecommunications services. No change in taxpayer liability.	\$3.4**	\$3.4**
	Increased tax on cigarettes by 22 cents, from 86 cents per pack to \$1.08 per pack.	\$46.0	\$46.0
	Made a 5 percent reduction in the investment tax credit against premium tax that is available to insurers based on the share of admitted assets they hold in various Louisiana investments. This is effective for premium years 2016 and 2017. Also, imposed a 6 percent tax on premiums of health maintenance organizations participating in the State Bayou Health Program, which provides health care services to low-income populations.	\$8.3	\$8.6
	Permanently reduced the Citizens Assessment credit to 25 percent of the assessment paid on insurance policies. The credit is already reduced to 72 percent through FY 2018, then was scheduled to return to 100 percent after that.	\$17.0	\$21.2
	Imposed a minimum five-year in-state domiciled requirement before gains from a sale of controlling interest in a business qualifies for a deduction from taxable income. The minimum deduction is 50 percent of the gains, climbing to 100 percent of the gain if held for 30 years or more.	Increase	Increase
	Increased the premium tax on health maintenance organizations from 2.25 percent to 5.5 percent effective for calendar year 2016. Roughly 90 percent of these receipts will be dedicated to the Medical Assistance Trust Fund	\$187.0	\$124.0

Appendix E. 2016 Tax and Revenue Changes by State

Jurisdiction	Description	Revenue FY 2017 (in millions)	Revenue FY 2018 (in millions)
Louisiana, continued	Exempted health maintenance organizations from the reduction in the investment tax credit against premium tax liabilities that was enacted in Act 10 of 2016 Extraordinary Session 1 for FY 2017 and FY 2018.	-\$1.3	-\$1.3
	Medicaid expansion increased premium tax collections at the existing 2.25 percent tax rate. These receipts will be dedicated to the Medical Assistance Trust Fund.	\$23.8	\$59.6
	Medicaid expansion increased premium tax collections as a result of the 3.25 percent tax rate increase on health maintenance organizations from 2.25 percent to 5.5 percent effective for calendar year 2016. These receipts will be dedicated to the Medical Assistance Trust Fund.	\$34.5	\$86.1
	See Appendix D for property tax actions.		
	Tax Revenue	\$1,591.6	\$1,701.6
	Authorized the Department of Health to increase the per-bed per-day fee charged to nursing facilities.	\$16.9	\$16.9
	Authorized the Department of Health to establish a provider fee for emergency ground ambulance service providers.	\$2.5	\$2.5
	Reduced aggregate interest payments on overpayments of tax by starting payments 90 days after the later of the tax return due date, the return filing date, or payment date. Realized as an increase in net tax collections. Composed primarily of corporate tax, 75 percent; sales tax, 20 percent; and severance tax/others, 5 percent. Some small amount accrues to dedications.	\$16.7	\$20.0
	Expanded the definition of dealer by establishing a nexus through affiliate arrangements involving independent contractor or other relationships. This was done in an attempt to provide enforcement and compliance from remote sellers. Additional collections from remote or online sellers is possible, but material compliance and collections are not expected.	Increase	Increase
	Reduced the discounts provided for timely filing and remittance of excise taxes on cigarettes and other tobacco products.	\$2.2	\$2.2
	Non-Tax Revenue	\$38.3	\$41.6
	Revenue Total	\$1,629.9	\$1,743.2
	Maine	Partially conformed personal income taxes to the federal tax code.	-\$12.7
Expanded the educational opportunity income tax credit, which is a credit for repayment of student loans.		-\$0.4	-\$1.0
Partially conformed corporate taxes to the federal tax code.		-\$6.7	-\$6.4
Adopted a sales tax exemption for fuel used in commercial agriculture, aquaculture, fishing and wood harvesting.		-\$3.5	-\$10.0
Enacted a 3 percent surcharge on taxable income of \$200,000 beginning with tax years on or after Jan.1, 2017. Revenue from this tax will be placed in the Fund to Advance Public Kindergarten to Grade 12 Education. This fund was established for the purpose of improving the ability of the state to reach the annual target of 55 percent for the state share of funding K-12 public education.		\$43.8	\$150.4
Legalized possession and use of marijuana by a person 21 years of age or older. The bill places a sales tax of 10 percent on retail marijuana and retail marijuana products.		\$2.7	\$10.5
Tax Revenue		\$23.2	\$137.2
Revenue Total		\$23.2	\$137.2

Appendix E. 2016 Tax and Revenue Changes by State

Jurisdiction	Description	Revenue FY 2017 (in millions)	Revenue FY 2018 (in millions)
Maryland	Adopted a refundable credit for up to \$5,000 for qualified student loan debt.	\$0.0	-\$5.0
	Enacted a credit for businesses operating a qualifying aerospace, electronics or defense contract tax credit project. The credit is equal to \$250 per qualified employee, subject to a \$2.5 million maximum value per project. The credit is set to expire on June 30, 2021.	-\$7.5	-\$7.5
	Altered and extended the Heritage Structure Rehabilitation Tax Credit. This tax credit is now set to expire on July 1, 2022.	\$0.0	-\$9.3
	Enacted a sales tax exemption for construction material or warehousing equipment purchased for use in certain qualified redevelopment projects. This exemption is set to expire on Sept. 30, 2026.	-\$1.0	Indeterminate, but revenue decrease is assumed to exceed \$1 million annually
	See Appendix D for property tax actions.		
	Tax Revenue	-\$8.5	-\$21.8
	Altered the calculation of the annual interest rate set for tax deficiencies and refunds.	-\$2.1	-\$8.0
	Reduced birth and death certificate fees from \$24 to \$10.	-\$3.6	-\$3.1
	Non-Tax Revenue	-\$5.7	-\$11.1
	Revenue Total	-\$14.2	-\$32.9
Massachusetts	Adopted an Earned Income Tax Credit.	-\$74.0	N.A.
	Reduction of income tax rate by 0.05 percent, from 5.15 percent to 5.10 percent effective Jan. 1, 2016. This is part of a larger reform in which the rate is scheduled to be gradually reduced by 0.05 percent increments contingent on baseline tax revenue growth. The trigger was not met for a reduction in 2017.	-\$152.0	-\$152.0
	Legalized possession and use of marijuana by a person 21 years of age or older. Retail marijuana is subject to the state sales tax with an additional 3.75 percent excise tax. Local municipalities are given the option of adding an additional 2 percent tax.	Retail stores set to open July 2018. Out-year fiscal impact unknown.	N.A.
	Tax Revenue	-\$226.0	-\$152.0
	Revenue Total	-\$226.0	-\$152.0
Michigan	Repealed the Insurance Tax Credit.	\$80.0	\$80.0
	Reduced the state use tax in order to create a local use tax. This measure is part of a personal property tax reform package adopted in 2012 to reimburse local units for revenue. The combined state and local tax rate remains at 6 percent.	-\$380.9	-\$410.8
	Extended the sunset on the cap on the maximum tax applied to a cigar. No change in taxpayer liability.	-\$2.5	-\$2.5
	Raised the gas tax rate from 19 cents per gallon to 26 cents per gallon as part of a transportation funding package enacted in November 2015. This legislation also modified alternative fuel taxes.	\$135.7	\$212.8
	Raised the tax rate for diesel fuels from 15 cents per gallon to 26 cents per gallon as part of a transportation funding package enacted in November 2015.	\$69.0	\$92.9
	See Appendix D for property tax actions.		
	Tax Revenue	-\$96.2	-\$25.1

Appendix E. 2016 Tax and Revenue Changes by State

Jurisdiction	Description	Revenue FY 2017 (in millions)	Revenue FY 2018 (in millions)
Michigan, continued	Changed the rate of record lookup fees for the Secretary of State from \$8 to \$11.	\$14.1	\$14.1
	Changed the rate of motor vehicle registration fees. Fees vary, but are now generally 20 percent higher than the old rate. This was part of a larger transportation funding package enacted in November 2015.	\$158.4	\$215.9
	Non-Tax Revenue	\$172.5	\$230.0
	Revenue Total	\$76.3	\$204.9
Minnesota	Enacted a Military Pension Subtraction.	-\$22.6	-\$23.7
	Extended the Small Business Investment Tax Credit for one additional year. No change in taxpayer liability.	\$0.0**	-\$10.0**
	Altered the sales tax on modular homes to 6.5 percent of the invoice price.	-\$1.0	-\$1.1
	Tax Revenue	-\$23.6	-\$24.8
	Revenue Total	-\$23.6	-\$24.8
Mississippi	Enacted the Taxpayer Pay Raise Act of 2016. This bill phases out personal income tax on the first \$5,000 of taxable income over a five-year period beginning in CY 2018. Changes from three percent on the first \$5,000 of taxable income to 0 percent on the first \$5,000 of taxable income once the five-year phase-in is complete. This is part of a larger reform measure which also phases out the franchise tax, phases out the 3 percent rate on corporate income, and provides a self-employment tax deduction.	\$0.0	-\$14.4
	Enacted the Taxpayer Pay Raise Act of 2016. This bill phases out corporate income tax on the first \$5,000 of taxable income over a five-year period beginning in CY 2018. Changes rate from 3 percent on the first \$5,000 of taxable income to 0 percent on the first \$5,000 of taxable income once the five-year phase-in is complete.	\$0.0	-\$0.2
	Enacted the Taxpayer Pay Raise Act of 2016. This legislation phases out Franchise Tax over a 10-year period. The phase-out begins in CY 2019.	\$0.0	\$0.0
	Enacted the Taxpayer Pay Raise Act of 2016. This legislation provides a self-employment tax deduction beginning in calendar year 2017. This deduction is based on self-employment taxes imposed and will be implemented as follows: 17 percent of federal self-employment taxes imposed for taxable years ending in CY 2017; 34 percent of federal self-employment taxes imposed for taxable years ending in CY 2018; and 50 percent of federal self-employment taxes imposed for taxable years ending in CY 2019 and thereafter.	\$0.0	-\$3.4
	Provided a tax credit for inventory taxes paid. This is phased in over a four-year period beginning in FY 2014. FY 2014 -\$7 million, FY 2015 -\$14 million, FY 2016 -\$21 million and FY2017 -\$126 million. These figures represent the cumulative loss in revenue per Department of Revenue. Originally enacted during the 2012 regular session.	-\$84.0	\$0.0
	Clarified that certain sales to schools under federal programs are exempt and revised the exemption for durable medical equipment.	N.A.	N.A.
	Tax Revenue	-\$84.0	-\$18.0
	Revenue Total	-\$84.0	-\$18.0

Appendix E. 2016 Tax and Revenue Changes by State

Jurisdiction	Description	Revenue FY 2017 (in millions)	Revenue FY 2018 (in millions)
Missouri	Continued to phase-in an income tax reduction of top bracket to 5.5 percent from 6 percent by 0.1 percent increments annually. Continued phase-in of a 25 percent deduction of business income by 5 percent increments annually. Increased personal exemption by \$500 for Missouri adjusted gross incomes less than \$20,000. Adjusts brackets for inflation annually. This legislation was originally enacted in 2014.	-\$72.5	-\$145.7
	Enacted an exemption for payments from agricultural disaster programs.	-\$12.0	N.A.
	Adopted an exemption for income from individuals in the active duty military service.	-\$3.0	-\$3.6
	Allowed for a 50 percent deduction for costs related to business relocation to Missouri and expanded Brownfield tax credit.	-\$0.8	-\$6.0
	Amended the Missouri Constitution to prohibit a new state or local sales and use or other similar tax on any service or transaction. This amendment only applies to any service or transaction that was not subject to a sales and use or similar tax as of Jan. 1, 2015.	\$0.0	\$0.0
	Extended for 10 years the 0.1 percent sales and use tax that is used for soil and water conservation and for state parks and historic sites. This tax will be resubmitted to the voters for approval in 10 years. No change in taxpayer liability.	\$90.0**	\$90.0**
	Tax Revenue	-\$88.3	-\$155.3
	Revenue Total	-\$88.3	-\$155.3
Montana	Implemented previously enacted tax credits for contributions to public and private schools. This change was made by a departmental ruling on a bill from the 2015 legislative session; the Montana Legislature did not convene in 2016.	\$2.8	\$2.8
	Tax Revenue	\$2.8	\$2.8
	Revenue Total	\$2.8	\$2.8
Nebraska	Enacted a school readiness tax credit.	\$0.0	-\$0.9
	Enacted various sales tax exemptions.	-\$1.5	-\$2.4
	Changed provisions of the Convention Center Facility Financing Assistance Act and the Sports Arena Facility Financing Assistance Act and adopted the Affordable Housing Tax Credit Act.	-\$1.4	-\$3.3
	See Appendix D for property tax actions.		
	Tax Revenue	-\$2.9	-\$26.6
Revenue Total	-\$2.9	-\$26.6	
Nevada	Restructured the modified business tax—general business (general businesses exclude financial and mining businesses), which was scheduled to sunset. The tax rate went up from 1.17 percent to 1.475 percent and the exemption for taxable wages was decreased from \$85,000 to \$50,000 per quarter. The legislation also removed mining businesses from the tax base. No change in taxpayer liability.	\$281.4**	N.A.
	Restructured the modified business tax on mining businesses so that they are required to pay the net proceeds of mineral tax instead of the modified business tax on general business. Under the new provisions, all quarterly taxable wages are taxed at 2.0 percent. No change in taxpayer liability.	\$6.5**	N.A.

Appendix E. 2016 Tax and Revenue Changes by State

Jurisdiction	Description	Revenue FY 2017 (in millions)	Revenue FY 2018 (in millions)
Nevada, continued	Approved a commerce tax on the gross revenue of each business entity whose Nevada gross revenue exceeds \$4 million in a fiscal year. There are 26 different rates based on different industry codes, ranging from 0.051 percent to 0.331 percent. No change in taxpayer liability.	\$119.8**	N.A.
	Approved a new commerce tax credit, which is allowed against the modified business tax due during the fiscal year not to exceed 50 percent of the commerce tax paid for the preceding fiscal year. No change in taxpayer liability.	-\$59.3**	N.A.
	Extended the local school support sales tax increase of 0.35 percent that was scheduled to sunset on June 30, 2015. No change in taxpayer liability.	\$193.7**	N.A.
	Raised the cigarette tax by \$1 per pack. The rate went from \$0.80 to \$1.80 per pack. No change in taxpayer liability.	\$95.4**	N.A.
	Imposes a new 3 percent excise tax on the fare charged by a transportation network company (Uber and Lyft), a common motor carrier of passengers or a taxicab. No change in taxpayer liability.	\$22.9**	N.A.
	Enacted a ballot measure legalizing the possession and use of marijuana by a person 21 years of age or older. An excise tax of 15 percent is imposed on wholesale sales of marijuana. The existing state sales tax would apply to retail sales of marijuana. Net revenue generated from this tax will be used for the support of K-12 education. No change in taxpayer liability.	Indeterminate	Indeterminate
	Adopted a ballot measure that will bring the question to vote to add new sections to the Nevada Constitution exempting durable medical equipment, oxygen delivery equipment and mobility enhancing equipment from the sales and use tax when such equipment is prescribed for human use by a licensed health care provider. Needs to be approved in 2018 general election to become law. No change in taxpayer liability.	N.A.	N.A.
	Tax Revenue	\$466.7	N.A.
	Raised the business license fee to \$500 per year for corporations and \$200 per year for non-corporation type businesses. No change in taxpayer liability.	\$64.3**	N.A.
	Increased commercial recording fees. No change in taxpayer liability.	\$2.8**	Indeterminate increase
	Non-Tax Revenue	\$67.1**	N.A.
	Revenue Total	\$533.8**	N.A.
	New Hampshire	Decreased Business Profits Tax rate from 8.5 percent to 8.2 percent.	-\$12.0
Decreased Business Enterprise tax rate from 0.75 percent to 0.72 percent.		-\$9.1	-\$12.4
Increased Research and Development tax credit from \$2 million aggregate to \$7 million aggregate.		\$0.0	\$0.0
Tax Revenue		-\$21.1	-\$27.3
Revenue Total		-\$21.1	-\$27.3

Appendix E. 2016 Tax and Revenue Changes by State

Jurisdiction	Description	Revenue FY 2017 (in millions)	Revenue FY 2018 (in millions)	
New Jersey	Enacted a personal income tax exemption of \$3,000 for veterans.	\$0.0	-\$23.0	
	Increased the earned income tax credit from 30 percent to 35 percent of the federal credit.	-\$62.0	-\$63.5	
	Enacted legislation to increase annually, in equal installments, the exclusion of pension income from \$20,000 (married filing joint) to \$100,000 in TY 2020.	\$0.0	-\$75.0	
	Increased cap on Economic Redevelopment and Growth tax credits by \$90 million.	N.A.	N.A.	
	Decreased state sales tax rate from 7 percent to 6.875 percent for TY 2017. This is part one of a two-part phase-in. On Jan. 1, 2018, the state sales tax rate will decrease from 6.875 percent to 6.625 percent as the second part of the phase-in of the new rate.	-\$92.4	Out-year fiscal impact unclear	
	Expiration of the reduced tax rate of 50 percent of taxation in certain urban enterprise zones. The tax rate has returned to 100 percent of the original rate.	\$10.0	\$19.0	
	Modified estate tax to increase the exclusion from \$675,000 to \$2 million as of Jan. 1, 2017. The exclusion will increase to 100 percent of the estate beginning Jan. 1, 2018.	-\$16.0	-\$116.4	
	Increased petroleum products gross receipts tax for highway fuels (excluding diesel) by 12.85 percent or 22.6 cents per gallon. The previous rate was 4 cents per gallon. Effective Nov. 1, 2016. The gross receipts tax for diesel fuel will also increase to 70 percent of highway fuels tax rate effective Jan. 1, 2017, increasing to 100 percent of the rate on July 1, 2017. This rate will be adjusted annually to cap revenue. This revenue estimate includes revenue from both highway fuel and diesel taxation.	\$694.1	\$1,159.6	
	Increased the petroleum products gross receipts tax on non-highway fuel oil and non-fuel products. The rate was increased from 2.75 percent to 7 percent, or 12.4 cents per gallon. The cents on the gallon calculation is adjusted quarterly based on price for fuel oil only.	\$20.7	\$31.1	
	Increased the petroleum products gross receipts tax on diesel fuel. The increased rate will be phased in between Jan. 1, 2017 and July 1, 2017. The new rate will be 8 cents per gallon; the old rate was 4 cents per gallon.	\$0.0	\$39.6	
		Tax Revenue	\$554.4	\$971.4
	Revenue Total	\$554.4	\$971.4	
New Mexico	Extended and amended the Sustainable Building Tax Credit against the personal and corporate income tax. Extended the credit beyond current sunset of Dec. 31, 2016 to Dec. 31, 2026. This legislation was originally enacted in 2015. No change in taxpayer liability.	\$5.0**	\$5.0**	
	Reduced corporate income tax rate from 4.8 percent-7.6 percent to 4.8 percent-5.9 percent.	-\$70.5	-\$70.5	
	Continued five-year phase-in of corporate income tax optional single sales factor apportioning for manufacturers. This legislation was originally enacted in 2013.	-\$45.3	-\$45.3	
		Tax Revenue	-\$115.8	-\$115.8
		Revenue Total	-\$115.8	-\$115.8

Appendix E. 2016 Tax and Revenue Changes by State

Jurisdiction	Description	Revenue FY 2017 (in millions)	Revenue FY 2018 (in millions)
New York	Enacted legislation that will provide middle class taxpayers with a permanent 20 percent rate reduction over eight years. Changed rate from 6.85 percent to 5.5 percent and 6 percent. Fiscal impact is \$4.2 billion annually when fully effective.	\$0.0	-\$236.0
	Eliminated the existing STAR property tax exemption for new applicants and replaced with a refundable tax credit. The reduction in revenue is accompanied by a corresponding savings in spending, making this change overall revenue neutral.	-\$98.0	-\$194.0
	Extended for five years the Clean Heating Fuel Tax Credit. To qualify each gallon of clean heating fuel must be at least 6 percent bio-diesel. The fiscal impact begins in FY 2019 with a revenue loss of \$1 million annually. No change in taxpayer liability.	\$0.0**	\$0.0**
	Enacted legislation to make the non-custodial parent earned income tax credit permanent. The fiscal impact begins in FY 2019 with a revenue loss of \$4 million annually.	\$0.0	\$0.0
	Created the Farm Workforce Retention Credit, which allows farm employers to claim a refundable tax credit for each farm employee. The purpose is to offset the impact of the minimum wage increase. The fiscal impact begins in FY 2019 with a revenue loss of \$15 million and a revenue loss of \$37 in FY 2023.	\$0.0	\$0.0
	Extended the Hire-A-Vet tax credit for 2 years. The fiscal impact takes effect in 2019 and 2020 with a revenue loss of \$37 million for these years. This measure is now set to expire on Dec. 31, 2018. No change in taxpayer liability.	\$0.0**	\$0.0**
	Authorized an additional \$8 million in low-income housing credits to be allocated in FY 2017 through March 31, 2021.	\$0.0	-\$8.0
	Authorized an additional \$30 million of tax credits for Urban Youth Tax Credits allocated in tax years 2016 and 2017. Extended the eligibility to non-metro areas.	\$0.0	-\$30.0
	Extended the Empire State Commercial Production Tax Credit for two years. The fiscal impact will take effect in FY 2019 and FY 2020 resulting in a revenue loss of \$7 million for these years. The tax credit is now set to expire on Dec. 31, 2018. No change in taxpayer liability.	\$0.0**	\$0.0**
	Made the Special Additional Mortgage Recording Tax refundable under corporate franchise tax for all taxpayers. Part of the technical cleanup from 2014 corporate tax reform.	-\$15.0	-\$15.0
	Extended the credit for purchasing or upgrading a for-hire vehicle for use by disabled individuals through 2022. The fiscal impact begins in FY 2019 and will result in a \$5 million annual revenue loss. The credit is now set to expire on Dec. 31, 2022. No change in taxpayer liability.	\$0.0**	\$0.0**
	Adopted an Alcohol Beverage Production credit to extend to wine, cider and liquor. Also includes a sales tax exemption for alcoholic beverages used for tastings.	-\$1.0	-\$3.0
	Expanded eligibility for Economic Transformation and Revitalization Program credits to psych centers.	\$0.0	-\$2.0
Enacted a sales tax exemption for the purchase of fuel cells.	-\$4.0	-\$2.0	

Appendix E. 2016 Tax and Revenue Changes by State

Jurisdiction	Description	Revenue FY 2017 (in millions)	Revenue FY 2018 (in millions)
New York, continued	Extended the alternative fuels tax exemptions (sales tax, petroleum business tax and motor fuel tax). These exemptions are set to expire on Aug. 31, 2021. No change in taxpayer liability.	-\$0.5**	-\$1.0**
	Tax Revenue	-\$118.0	-\$490.0
	Reduced the Highway Use Tax Registration and Decal fee. Reduced the rate from \$19 to \$1.50.	-\$59.0	-\$6.0
	Allowed state flagship schools to increase out-of-state tuition by 10 percent.	\$22.0	\$22.0
	Non-Tax Revenue	-\$37.0	\$16.0
	Revenue Total	-\$155.0	-\$474.0
North Carolina	Increased standard deductions by \$2,000 over two years (\$1,000 increase for each year) to a new limit of \$17,500.	-\$145.0	-\$205.0
	Reduced corporate income tax rate from 4 percent to 3 percent as a result of legislation passed in 2015 that created a trigger for a 1 percent reduction in the corporate income tax the following tax year when the amount of net General Fund tax collected in a fiscal year exceeded \$20,975,000.	N.A.	N.A.
	Modified sales tax base on repairs, maintenance and installation.	\$22.4	\$49.8
	Enacted a sales and use tax exemption on Styrofoam pellets for wastewater system materials.	-\$1.0	-\$1.0
	Repealed a tax on automotive service contracts.	-\$1.6	-\$3.5
	Expanded mill machinery tax (1 percent per \$80.00) to metal fabricators and secondary metal recyclers.	\$1.6	-\$1.8
	Tax Revenue	-\$123.6	-\$157.9
	Revenue Total	-\$123.6	-\$157.9
North Dakota	Continued phase-in of an alternate income apportionment method (single sales factor) for calculating the corporate income tax.	-\$7.5	-\$25.0
	Exempted sales tax for the sale of Internet access services. The tax rate is reduced from 5 percent to 0 percent.	\$0.0	-\$10.0
	Tax Revenue	-\$7.5	-\$35.0
	Revenue Total	-\$7.5	-\$35.0
Ohio	Enhanced the motion picture tax credit.	-\$20.0	-\$20.0
	Adopted a sales tax holiday for three days in August 2016.	-\$15.1	\$0.0
	Enacted a sales tax exemption for sales of natural gas by municipally owned gas company.	-\$6.9	-\$2.1
	Tax Revenue	-\$42.0	-\$22.1
	Revenue Total	-\$42.0	-\$22.1
Oklahoma	Placed a cap on the Investment/New Jobs tax credit. This cap is set to expire Dec. 31, 2018. This change affects personal income tax revenues.	\$2.0	N.A.
	Enacted legislation which makes the state earned income tax credit non-refundable for all tax years after Jan. 1, 2016.	\$24.8	N.A.
	Enacted legislation to elimination the "Double Deduction" and require state and local income or sales taxes included in itemized deductions be added back to calculate Oklahoma taxable income (by subtracting them from itemized deductions). Effective for TY 2016.	\$83.3	N.A.

Appendix E. 2016 Tax and Revenue Changes by State

Jurisdiction	Description	Revenue FY 2017 (in millions)	Revenue FY 2018 (in millions)
Oklahoma, continued	Placed a cap on the Investment/New Jobs tax credit. This cap is set to expire Dec. 31, 2018. This change affects corporate income tax revenues.	\$9.1	N.A.
	Ended a gross production tax incentive for economically at-risk oil and gas leases. The measure limits the exemption to production from CY 2014 and provides that no claims for refunds will be paid after Dec. 31, 2016.	\$51.8	N.A.
	Tax Revenue	\$170.9	N.A.
	Enacted a Tax Commission initiative to enhance enforcement of personal income, corporate income, sales and use, and miscellaneous tax collections.	\$46.6	N.A.
	Reissued the official state license plate with a new license plate design.	\$13.0	N.A.
	Non-Tax Revenue	\$59.6	N.A.
	Revenue Total	\$230.6	N.A.
Oregon	Expanded the earned income tax credit. The new rate applies only to taxpayers with dependents 2 years old or younger. Increased from 8 percent of federal credit to 11 percent of federal credit. The entire credit is set to sunset on Jan. 1, 2020.	\$0.0	-\$5.0
	Increased the annual cap for the film and video tax credit from \$10 million to \$14 million. The entire credit is set to sunset on Jan. 1, 2022.	-\$1.8	-\$4.0
	Modified and extended the corporate income tax credit for biomass production. Decreased the credit from \$5 per wet ton to \$3.50 per wet ton. The entire credit is set to sunset on Jan. 1, 2022.	\$1.6	-\$4.3
	Increased the rate of the statewide transient lodging tax from 1 percent to 1.8 percent.	\$13.6	\$14.4
	Tax Revenue	\$13.4	\$1.1
	Revenue Total	\$13.4	\$1.1
Pennsylvania	Expanded the tax base to include Pennsylvania Lottery winnings on cash prizes. Non-cash prizes of Pennsylvania Lottery remain exempt.	\$15.8	\$13.6
	Imposed a sales tax on digital downloads of books, music, photographs, games, audio, apps, canned software, satellite radio, and streaming video and audio	\$46.9	\$59.2
	Exempted the business of producing or harvesting trees for commercial production of wood, paper or energy products from sales tax.	\$0.0	-\$2.5
	Introduced a cap on the current 1 percent vendor discount on timely filed returns. It is now capped at \$300 per year or 1 percent of remittance, whichever is smaller. Business with taxable sales of \$500,000 or less are not affected.	\$55.5	\$69.2
	Increased tax on cigarettes by \$1, from \$1.60 per pack to \$2.60 per pack.	\$431.1	\$446.6
	Introduced a 55 cent per ounce tax on alternative tobacco products such as smokeless tobacco and roll-your-own cigarettes with a floor minimum weight of 1.2 ounces.	\$51.3	\$81.9
	Enacted a tax on e-cigarettes of 40 percent of the wholesale price imposed on vapor producing devices and liquid cartridges.	\$13.3	\$21.3

Appendix E. 2016 Tax and Revenue Changes by State

Jurisdiction	Description	Revenue FY 2017 (in millions)	Revenue FY 2018 (in millions)
Pennsylvania, continued	Increased the Bank Shares Tax rate from 0.89 percent to 0.95 percent for the calendar year beginning Jan. 1, 2017 and each year thereafter.	\$23.5	\$24.8
	Introduced the Bank Shares Tax Edge Act Exclusions. Banks can exclude 20 percent of the book value of total equity capital of foreign subsidiaries from taxable income for the year beginning Jan. 1, 2018. There is a five-year phase-in allowing an additional 20 percent exclusion each year.	\$0.0	-\$2.9
	Adopted numerous changes to various tax credit programs.	-\$20.9	-\$49.3
	In addition to the current table games tax of 12 percent, the state adopted a separate two percent tax on gross table game revenue. This additional rate will sunset in three years on June 30, 2019.	\$16.8	\$17.7
	Established a tax refund program for sales tax paid on computer data center equipment purchases for qualified centers. The program is capped at \$5 million.	\$0.0	-\$5.0
	Tax Revenue	\$633.3	\$674.6
	Introduced non-recurring liquor modernization revenue through licensee surcharges, auctioning of restaurant licenses, and casino license fees.	\$73.2	\$0.0
	Introduced a tax amnesty program. During a 60-day period within 2016-2017, delinquent taxpayers will be able to have penalties and 50 percent of interest waived on delinquencies that existed prior to Dec. 31, 2015.	\$100.0	-\$25.0
	Non-Tax Revenue	\$173.2	-\$25.0
	Revenue Total	\$806.5	\$649.6
	Rhode Island	Exempted first \$15,000 of pension income, with qualifications.	-\$6.3
Increased the earned income tax credit to 15 percent of federal rate. The previous rate was 12.5 percent.		-\$2.7	-\$5.5
Reduced the annual corporate minimum tax. This is the second consecutive budget to reduce minimum tax. The old minimum was \$450; the new minimum is \$400.		-\$1.6	-\$3.2
Tax Revenue		-\$10.6	-\$21.7
Enhanced fraud and waste IT system increasing income and sales tax collections.		\$5.0	\$5.0
Enhanced compliance on retaliatory assessments for insurance tax.		\$1.1	\$1.1
Added additional staff and enhanced collection for personal income, business and sales tax.		\$3.4	\$3.4
Conducted a corporate tax intercompany transfer pricing audit.		\$6.7	\$0.0
Reduced the beach fees.		-\$1.3	-\$1.8
Non-Tax Revenue		\$14.9	\$7.7
Revenue Total		\$4.3	-\$14.0
South Carolina	Conformed personal income taxes to the federal tax code.	-\$7.8	N.A.
	Adopted an income tax credit for qualified new jobs in the agricultural packaging industry. The credit varies based upon county designation.	N.A.	-\$1.5
	Adopted an income tax deduction for military retirement benefits attributable to active duty service. Deduction is equal up to \$17,500 of earned income for taxpayers under age 65.	-\$6.5	-\$9.9

Appendix E. 2016 Tax and Revenue Changes by State

Jurisdiction	Description	Revenue FY 2017 (in millions)	Revenue FY 2018 (in millions)
South Carolina, continued	Adopted an income tax deduction for the construction, purchasing, or leasing of qualified solar energy property. May not exceed \$2.5 million for all taxpayers. The deduction is set to expire on Dec. 31, 2017.	-\$2.5	-\$2.5
	Adopted an income tax credit for 25 percent of the cost of purchase and installation of certain geothermal machinery and equipment. The credit may not exceed \$3,500 for each facility. This credit is set to expire on Jan. 1, 2019.	-\$1.0	-\$1.0
	Removed the 5 percent sales tax surcharge on car rentals and heavy equipment rentals.	-\$1.9	N.A.
	See Appendix D for property tax actions.		
	Tax Revenue	-\$19.7	-\$14.9
	Revenue Total	-\$19.7	-\$14.9
South Dakota	Increased state sales tax rate by 0.5 percent, from 4 percent to 4.5 percent. This provided additional money for teacher salaries and was offset by a reduction in property taxes.	\$107.0	N.A.
	See Appendix D for property tax actions.		
	Tax Revenue	\$107.0	N.A.
	Revenue Total	\$107.0	N.A.
Tennessee	Established a tax credit against the Hall Income Tax equal to 33 percent of the value of an investment by an angel investor, if certain conditions apply.	-\$1.9	-\$2.6
	Enacted a reform measure that will eliminate the income tax over six years. It decreased the Hall Income Tax (HIT) rate from 6 percent to 5 percent for tax years beginning on or after Jan. 1, 2016. Also, established the legislative intent that the HIT be reduced by 1 percent annually through further enactments of general bills. The tax will be eliminated completely in tax year 2022 and beyond, for a revenue loss of \$166.3 million annually.	-\$27.7	-\$27.7
	Expanded the minimum requirement for a business to be considered a qualified data center for the purpose of being exempt from the sales and use tax on cooling equipment or backup power infrastructure. The minimum number of jobs required to be created decreased from 25 to 15, and the minimum capital investment required to be made decreased from \$250 million to \$100 million.	-\$4.1	-\$4.1
	Extended the Annual Coverage Assessment Act of 2016, which establishes an annual coverage assessment on hospitals of 4.52 percent of a covered hospital's annual coverage assessment base and is required to be paid in equal quarterly installments. No change in taxpayer liability	\$449.8**	N.A.
	Extended the annual nursing home assessment for an additional year. No change in taxpayer liability.	\$121.0**	N.A.
	Extended the temporary 50 cent per barrel of beer tax and the temporary 0.4 percent tax on gross receipts until July 1, 2022, or until July of any year following the enactment of any state or federal law that imposes mandatory deposits by consumers on beverage containers sold in Tennessee, whichever occurs first. No change in taxpayer liability	\$4.9**	\$4.9**
	Tax Revenue	-\$33.7	-\$34.4
	Revised provisions governing overweight and over-dimensional loads that are permitted and non-divisible. Old and new rates are various, and revenue will go to the Highway Fund.	\$3.7	\$7.4

Appendix E. 2016 Tax and Revenue Changes by State

Jurisdiction	Description	Revenue FY 2017 (in millions)	Revenue FY 2018 (in millions)
Tennessee, continued	Made various changes to the Tennessee Higher Education Authorization Act, including, but not limited to, requiring adoption of new policies and fees for authorization of postsecondary education institutions.	-\$1.1	-\$1.1
	Reduced the fee for a lifetime handgun carry permit from \$500 to \$300 for initial applicants and \$200 for existing handgun carry permit holders.	\$2.6	\$5.2
	Modified the franchise and excise tax regarding current requirements to make estimated quarterly payments. Reduced the penalty for underpayments.	-\$11.8	-\$5.6
	Authorized terminal buildings of a commercial air carrier airport to sell packaged alcoholic beverages at retail, under certain conditions.	\$6.9	\$6.5
	Non-Tax Revenue	\$0.3	\$12.4
	Revenue Total	-\$33.5	-\$22.0
Texas	No significant tax changes in 2016.	N.A.	N.A.
Utah	Amended the corporate franchise and income tax. This offers computer and computer product manufacturers the option of filing their corporate return using either single sales, double weighted sales, or the three-factor formula.	-\$2.6	-\$2.8
	Adjusted severance tax calculations to exclude royalty revenue in calculation of taxable value and taxable volume.	-\$1.2	-\$0.5
	See Appendix D for property tax actions.		
	Tax Revenue	-\$3.8	-\$3.3
	Revenue Total	-\$3.8	-\$3.3
Vermont	Adopted an ambulance provider tax at a rate of 3.3 percent.	\$1.2	N.A.
	Reduced the statewide property tax rates from \$1.535 to \$1.527 per \$100 of assessed property value.	\$9.9	N.A.
	Increased fuel gross receipts tax from 0.5 percent per gallon to 0.75 percent, or 2 cents per gallon. Electricity is excluded from this increase. This is a temporary tax increase that is set to expire on June 30, 2021.	\$3.8	N.A.
	Tax Revenue	\$5.0	N.A.
	Changed collection schedule for the fuel gross receipts tax from quarterly to monthly.	\$1.0	N.A.
	Changed collection schedule for the telephone property tax from quarterly to monthly.	\$1.0	N.A.
	Changed collection schedule for the bank franchise tax from quarterly to monthly.	\$1.8	N.A.
	Enacted multiple changes to the vehicle registration fees.	\$9.9	N.A.
	Adopted changes to public safety fees.	\$1.5	N.A.
	Increased mutual fund registration fee from \$600 to \$1,500.	\$20.7	N.A.
	Increased broker-dealer registration fee from \$60 to \$85.	\$3.3	N.A.
	See Appendix D for property tax actions.		
	Non-Tax Revenue	\$39.2	N.A.
	Revenue Total	\$44.2	N.A.

Appendix E. 2016 Tax and Revenue Changes by State

Jurisdiction	Description	Revenue FY 2017 (in millions)	Revenue FY 2018 (in millions)
Virginia	Increased cap on existing Research and Development tax credit by \$1 million. Created a new Research and Development tax credit for firms with R&D spending over \$5 million annually, capped at \$20 million a year. Increased the overall cap on credits from \$6 million to \$27 million per year. This tax credit applies to both personal and corporate income tax.	\$0.0	-\$21.0
	Provision expired on July 1, 2016 that permits persons with an economic interest in coal to redeem VA Coal Employment and Production Incentive Tax Credits in excess of tax liability.	\$0.9	\$1.6
	Enacted a sales tax exemption for solar and wind energy equipment used by public service corps.	Unknown negative	Unknown negative
	Tax Revenue	\$0.9	-\$19.4
	Raised the annual sales threshold from \$2.5 million to \$10 million in FY 2017 and to \$25 million in FY 2018. The revenue loss in each year is one time in nature, reflecting the shifting of tax revenues from June of a given fiscal year into July of the next year.	-\$36.7	-\$27.0
	Enhanced sales tax review by introducing additional compliance measures in the Department of Taxation focusing on invalid sales and use tax exemption certificates related to sales tax on tobacco products.	\$0.4	\$1.5
	Enhanced personal income tax refund review by introducing additional compliance measures in the Department of Taxation aimed at preventing personal income tax fraud.	\$3.2	\$5.2
	See Appendix D for property tax actions.		
	Non-Tax Revenue	-\$33.1	-\$20.3
	Revenue Total	-\$32.2	-\$39.7
Washington	Expanded a business and occupation tax deduction for amounts received for providing chemical dependency services under a government-funded program. Previously this deduction only applied to metal health services. This measure is set to expire on Jan. 1, 2020.	-\$1.9	-\$2.3
	Tax Revenue	-\$1.9	-\$2.3
	Revenue Total	-\$1.9	-\$2.3
West Virginia	Enacted a firearms training tax credit, which is a new non-tax specific tax preference not to exceed \$50 dollars, available to any person who pays fees for training or applications.	-\$1.0	-\$1.5
	Extended the Neighborhood Investment Tax Credit. The tax credit will now expire on July 1, 2021. No change in taxpayer liability.	Minimal**	-\$3.0**
	Conformed to federal tax code by updating the meaning of federal taxable income and certain other terms used in West Virginia Personal Income Tax, including updating Section 179 to make benefits permanent and provide for a bonus depreciation extension.	-\$13.0	-\$5.0
	Updated the meaning of federal taxable income and extended bonus depreciation.	-\$27.0	-\$10.0
	Legalized the sale of fireworks and enacted a 6 percent sales tax on firework sales.	\$0.9	\$0.9
	Eliminated the sales tax exemption of durable medical equipment purchased by health care providers. This is a temporary change which sunsets on June 30, 2018.	\$14.0	\$14.0

Appendix E. 2016 Tax and Revenue Changes by State

Jurisdiction	Description	Revenue FY 2017 (in millions)	Revenue FY 2018 (in millions)
West Virginia, continued	Increased cigarette tax by 65 cents per pack, from 55 cents per pack to \$1.20 per pack.	\$92.4	\$90.4
	Increased tax on alternative tobacco products by 5 percent from 7 percent of the wholesale price to 12 percent of the wholesale price.	\$4.7	\$4.7
	Enacted a tax on e-cigarettes. The new tax is imposed on the sales of e-cigarette liquid at a rate of 7.5 cents per milliliter.	\$1.4	\$1.8
	Increased the gross receipts tax on eligible acute care hospitals from 0.72 percent to 0.74 percent. This tax is set to sunset on June 30, 2017.	\$15.0	\$5.0
	Eliminated the 5 percent behavioral health severance tax and business privilege tax imposed on health care service providers.	-\$16.0	-\$16.0
	Enacted a 12 percent safety tax on all retail sales of newly legalized fireworks.	\$2.2	\$2.2
	Eliminated the Moor Fuel Tax for the railroad industry. The full effect of this credit will not be experienced until FY 2019 due to the timing of returns. Annual revenue impact for this credit is estimated to be a decrease of \$4.3 million in the out years.	\$0.0	-\$1.0
	Tax Revenue	\$73.6	\$85.5
	Revenue Total	\$73.6	\$85.5
Wisconsin	Adopted federal alternative minimum tax exemption amounts and indexing provisions. This measure was enacted in 2015.	-\$6.0	-\$25.4
	Increased the standard deduction for married filers. This measure was enacted in 2015.	-\$20.9	-\$20.9
	The fiscal impact of a 100 percent exclusion for capital gains on certain Wisconsin-based assets purchased after Dec. 31, 2010 and held for five years began to take effect. This was passed in the 2011 budget bill and the estimated cost will increase to \$79.4 million annually beginning 2020-21.	-\$6.0	-\$22.8
	Completed the four-year phase-in of the Manufacturing Agricultural Credit (MAC), which is equal to 7.5 percent of Wisconsin-based manufacturing and agricultural income beginning tax year 2016.	-\$205.8	-\$205.8
	Consolidated business tax credits. This measure was enacted in 2015.	\$5.8	\$0.8
	Sunset the electronic medical records tax credit for tax years beginning on or after Jan. 1, 2014. The sunset was enacted in 2013.	\$7.5	\$7.5
	Created a sales tax exemption for construction materials purchased by contractors and used in construction projects for certain tax-exempt entities. This measure was enacted in 2015.	-\$3.2	-\$3.2
	Tax Revenue	-\$228.6	-\$269.8
	Increased state park and forest admission and trail fees from \$25 to \$28.	\$1.4	\$1.4
	Increased state park and forest camping fees.	\$2.8	\$2.9
	Non-Tax Revenue	\$4.3	\$4.3
	Revenue Total	-\$224.3	-\$265.5
Wyoming	Enacted legislation establishing a private hospital assessment.	\$4.6	\$4.6
	Tax Revenue	\$4.6	\$4.6
	Revenue Total	\$4.6	\$4.6

**not reflected in totals.

Appendix F.

2016 TAX AND REVENUE CHANGES BY TYPE

This appendix shows by type the tax and revenue changes that took place in 2016 regular and special legislative sessions—and in the November 2016 general election—that will affect state revenues in FY 2017 (for most states July 1, 2016, to June 30, 2017) and FY 2018 (for most states July 1, 2017, to June 30, 2018). Tax changes by state appear in Appendix E.

Changes effective in a certain fiscal year as a result of legislation passed in an earlier year are noted by **. This appendix does not include changes in unemployment compensation taxes, nor does it include state-mandated reductions in local property tax rates.

The following abbreviations are used:

AGI	Adjusted Gross Income	HMO	Health Maintenance Organization
ARRA	American Recovery and Reinvestment Act	IRC	Internal Revenue Code
B&O	Business and Occupation	LLC	Limited Liability Corporation
CAT	Commercial Activity Tax	LLP	Limited Liability Partnership
CCRC	Continuing Care Retirement Communities	R&D	Research and Development
CPI	Consumer Price Index	REIT	Real Estate Investment Trust
EITC	Earned Income Tax Credits	GRF	General Revenue Fund
SSTP	Streamlined Sales Tax Project	TY	Tax Year

Appendix F. Personal Income Tax

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
Alabama	Created an income tax credit for contributions to health savings accounts (-\$2.7 million beginning in FY 2019).	\$0.0	\$0.0	1/1/2018
Arizona	Increased the maximum amount claimed as a tax credit for contributions to charitable organizations.	-\$2.6	\$0.0	1/1/2016
	Extended due date to claim tax credit for contributions to charitable organizations until the 15th day of the fourth month following the close of the taxable year (which would be April 15 for most taxpayers).	-\$1.7	\$0.0	1/1/2016
	Increased the state individual income tax deduction from 10 percent to 100 percent of the amount allowed for federal bonus depreciation over two years.	-\$8.0	-\$8.0	1/1/2016
California	Enacted Proposition 55, extending for 12 years the temporary personal income tax increases enacted in 2012 on earning over \$250,000 (for single filers; over \$500,000 for joint filers; over \$340,000 for heads of household). Extension will not take effect until tax year 2019. No change in taxpayer liability.	N.A.**	N.A.**	11/8/2016

Appendix F. Personal Income Tax

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
Connecticut	Postponed the sunset of the Angel Investor Tax Credit to July 1, 2019. No change in taxpayer liability.	-\$3.0**	-\$3.0**	2/23/2016
Georgia	Conformed to the federal tax code by enacting an exclusion for discharged home mortgage debt.	-\$9.1	-\$0.8	2/23/2016
	Conformed to the federal tax code by adopting mortgage insurance premiums as a deductible.	-\$4.8	-\$0.5	2/23/2016
	Conformed to the federal tax code by updating other miscellaneous items less than \$5 per year.	-\$19.7	\$12.9	5/3/2016
	Adopted an income deduction for contribution to college savings plans for married taxpayers filing jointly.	-\$2.0	-\$2.3	1/1/2017
	Enacted personal tax credits for contributions to “rural hospital organizations” and “critical access hospitals.”	-\$25.0	-\$55.0	1/1/2016
	Enacted personal tax credits for land donated to the state for conservation use. These credits are set to expire on Dec. 31, 2021.	-\$17.2	-\$17.2	2/23/2016
Hawaii	Adopted an organic food production credit. The credit is set to sunset on Dec. 31, 2021.	-\$2.0	-\$2.0	1/1/2017
	Adopted a renewable fuels income tax credit. The credit is set to sunset on Dec. 31, 2021.	-\$3.0	-\$3.0	1/1/2017
Idaho	Conformed personal income taxes to the federal tax code.	-\$28.7	-\$28.7	7/1/2016
Indiana	Phased in rate reduction of the individual income tax from 3.4 percent in TY 2014 to 3.23 percent in TY 2017. Changed rate from 3.4 percent to 3.3 percent in TY 2015 and TY 2016 and 3.23 percent in years after that. Original legislation enacted in 2013 legislative session.	-\$197.4	-\$270.3	The new phased down rate is effective at the beginning of each tax year.
	Conformed personal income taxes to the federal tax code.	-\$15.4	-\$12.2	1/1/2016
	Expanded eligibility for dependent exemption, effective Jan. 1, 2018.	-\$0.0	-\$0.0	1/1/2018
Iowa	Conformed personal income taxes to the federal tax code for TY 2015 only.	\$23.0	\$0.0	TY 2015
	Extended the solar energy tax credit. The credit now expires after TY 2021.	\$0.0	-\$2.5	TY 2016
	Enacted a new version of the Geothermal Energy tax credit.	\$0.0	-\$1.5	1/1/2017
Louisiana	Permanently reduced the Citizens Assessment credit to 25 percent of the assessment paid on insurance policies. The credit is already reduced to 72 percent through FY 2018, then was scheduled to return to 100 percent after that.	\$17.0	\$21.2	N.A.

Appendix F. Personal Income Tax

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
Louisiana, continued	Imposed a minimum five-year in-state domiciled requirement before gains from a sale of controlling interest in a business qualified for a deduction from taxable income. The minimum deduction is 50 percent of the gains, climbing to 100 percent of the gain if held for 30 years or more.	Increase	Increase	N.A.
Maine	Partially conformed personal income taxes to the federal tax code.	-\$12.7	-\$6.3	3/10/16 for tax years beginning on or after 1/1/15
	Expanded the educational opportunity income tax credit, which is a credit for repayment of student loans.	-\$0.4	-\$1.0	4/16/16 for tax years beginning on or after 1/1/16
	At the 2016 general election, voters enacted a 3 percent surcharge on taxable income of \$200,000 beginning with tax years on or after January 1, 2017. Revenue from this tax will be placed in the Fund to Advance Public Kindergarten to Grade 12 Education. This fund was established for the purpose of improving the ability of the state to reach the annual target of 55 percent for the state share of funding K-12 public education.	\$43.8	\$ 150.4	01/01/2017
Maryland	Adopted a refundable credit for up to \$5,000 for qualified student loan debt.	\$0.0	-\$5.0	07/01/16
Massachusetts	Adopted an Earned Income Tax Credit.	-\$74.0	N.A.	1/1/2016
	Reduction of income tax rate by 0.05 percent, from 5.15 percent to 5.10 percent effective Jan. 1, 2016. This is part of a larger reform in which the rate is scheduled to be gradually reduced by 0.05 percent increments contingent on baseline tax revenue growth. The trigger was not met for a reduction in 2017.	-\$152.0	-\$152.0	1/1/2016
Minnesota	Enacted a Military Pension Subtraction.	-\$22.6	-\$23.7	1/1/2016
	Extended the Small Business Investment Tax Credit for one additional year. No change in taxpayer liability.	\$0.0**	-\$10.0**	1/1/2017
Mississippi	Enacted the Taxpayer Pay Raise Act of 2016. This bill phases out personal income tax on the first \$5,000 of taxable income over a five-year period beginning in CY 2018. Changes from three percent on the first \$5,000 of taxable income to 0 percent on the first \$5,000 of taxable income once the five-year phase-in is complete. This is part of a larger reform measure which also phases out the franchise tax, phases out the 3 percent rate on corporate income, and provides a self-employment tax deduction.	\$0.0	-\$14.4	1/1/2016

Appendix F. Personal Income Tax

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
Missouri	Continued a phase-in an income tax reduction of top bracket to 5.5 percent from 6 percent by 0.1 percent increments annually. Continued phase-in of a 25 percent deduction of business income by 5 percent increments annually. Increased personal exemption by \$500 for Missouri adjusted gross incomes less than \$20,000. Adjusts brackets for inflation annually. This legislation was originally enacted in 2014.	-\$72.5	-\$145.7	1/1/2017
	Enacted an exemption for payments from agricultural disaster programs.	-\$12.0	N.A.	1/1/2014
	Adopted an exemption for income from individuals in the active duty military service.	-\$3.0	-\$3.6	1/1/2016
	Allowed for a 50 percent deduction for costs related to business relocation to Missouri and expanded Brownfield tax credit	-\$0.8	-\$6.0	1/1/2016 for deduction and 7/1/2017 for Brownfield tax credit
Montana	Implemented previously enacted tax credits for contributions to public and private schools. This change was made by a departmental ruling on a bill from the 2015 legislative session; the Montana Legislature did not convene in 2016.	\$2.8	\$2.8	1/1/2016
Nebraska	Enacted a school readiness tax credit.	\$0.0	-\$0.9	1/1/2017
New Jersey	Enacted a personal income tax exemption of \$3,000 for veterans.	\$0.0	-\$23.0	1/1/2017
	Increased the earned income tax credit from 30 percent to 35 percent of the federal credit.	-\$62.0	-\$63.5	1/1/2016
	Enacted legislation to increase annually, in equal installments, the exclusion of pension income from \$20,000 (married filing joint) to \$100,000 in tax year 2020.	\$0.0	-\$75.0	1/1/2017
New Mexico	Extended and amended the Sustainable Building Tax Credit against the personal and corporate income tax. Extended the credit beyond current sunset of Dec. 31, 2016 to Dec. 31, 2026. This legislation was originally enacted in 2015. No change in taxpayer liability.	\$5.0**	\$5.0**	1/1/2017
New York	Enacted legislation that will provide middle class taxpayers with a permanent 20 percent rate reduction over eight years. Changed rate from 6.85 percent to 5.5 percent and 6 percent. Fiscal impact is \$4.2 billion annually when fully effective.	\$0.0	-\$236.0	1/1/2018
	Eliminated the existing STAR property tax exemption for new applicants and replaced with a refundable tax credit. The reduction in revenue is accompanied by a corresponding savings in spending making this change overall revenue neutral.	-\$98.0	-\$194.0	1/1/2016

Appendix F. Personal Income Tax

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
New York, continued	Extended for five years the Clean Heating Fuel Tax Credit. To qualify each gallon of clean heating fuel must be at least 6 percent biodiesel. The fiscal impact begins in FY 2019 with a revenue loss of \$1 million annually. No change in taxpayer liability.	\$0.0**	\$0.0**	1/1/2017
	Enacted legislation to make the non-custodial parent earned income tax credit permanent. The fiscal impact begins in FY 2019 with a revenue loss of \$4 million annually.	\$0.0	\$0.0	1/1/2017
North Carolina	Increased standard deductions by \$2,000 over two years (\$1,000 increase for each year) to a new limit of \$17,500.	-\$145.0	-\$205.0	1/1/2016
Oklahoma	Placed a cap on the Investment/New Jobs tax credit. This cap is set to expire Dec. 31, 2018. This change affects both personal and corporate income tax revenues.	\$2.0	N.A.	11/1/2016
	Enacted legislation that makes the state earned income tax credit non-refundable for all tax years after Jan. 1, 2016.	\$24.8	N.A.	11/1/2016
	Enacted legislation to elimination the “Double Deduction” and require state and local income or sales taxes included in itemized deductions be added back to calculate Oklahoma taxable income (by subtracting them from itemized deductions. Effective for TY 2016.	\$83.3	N.A.	1/1/2016
Oregon	Expanded the earned income tax credit. The new rate applies only to taxpayers with dependents 2 years old or younger. Increased from 8 percent of federal credit to 11 percent of federal credit. The entire credit is set to sunset on Jan. 1, 2020.	\$0.0	-\$5.0	1/1/2017
	Increased the annual cap for the film and video tax credit from \$10 million to \$14 million. The entire credit is set to sunset on Jan. 1, 2022.	-\$1.8	-\$4.0	1/1/2016
Pennsylvania	Expanded the tax base to include Pennsylvania Lottery winnings on cash prizes. Non-cash prizes of Pennsylvania Lottery remain exempt.	\$15.8	\$13.6	1/1/2016
Rhode Island	Exempted first \$15,000 of pension income, with qualifications.	-\$6.3	-\$13.0	1/1/2017
	Increased the earned income tax credit to 15 percent of federal rate. The previous rate was 12.5 percent.	-\$2.7	-\$5.5	1/1/2017
South Carolina	Conformed personal income taxes to the federal tax code.	-\$7.8	N.A.	4/21/2016
	Adopted an income tax credit for qualified new jobs in the agricultural packaging industry. The credit varies based upon county designation.	N.A.	-\$1.5	6/8/2016
	Adopted an income tax deduction for military retirement benefits attributable to active duty service. Deduction is equal up to \$17,500 of earned income for taxpayers under age 65.	-\$6.5	-\$9.9	1/1/2016

Appendix F. Personal Income Tax

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
South Carolina, continued	Adopted an income tax deduction for the construction, purchasing or leasing of qualified solar energy property. May not exceed \$2.5 million for all taxpayers. The deduction is set to expire on Dec. 31, 2017.	-\$2.5	-\$2.5	1/1/2016
	Adopted an income tax credit for 25 percent of the cost of purchase and installation of certain geothermal machinery and equipment. The credit may not exceed \$3,500 for each facility. This credit is set to expire on Jan. 1, 2019.	-\$1.0	-\$1.0	1/1/2016
Tennessee	Established a tax credit against the Hall Income Tax equal to 33 percent of the value of an investment by an angel investor, if certain conditions apply.	-\$1.9	-\$2.6	1/1/2017
	Enacted a reform measure that will eliminate the income tax over six years. It decreased the Hall Income Tax (HIT) rate from 6 percent to 5 percent for tax years beginning on or after Jan. 1, 2016. Also, established the legislative intent that the HIT be reduced by 1 percent annually through further enactments of general bills. The tax will be eliminated completely in tax year 2022 and beyond, for a revenue loss of \$166.3 million annually.	-\$27.7	-\$27.7	1/1/2016
West Virginia	Enacted a firearms training tax credit which is a new non-tax specific tax preference not to exceed \$50 dollars, available to any person who pays fees for training or applications.	-\$1.0	-\$1.5	1/1/2016
	Extended the Neighborhood Investment Tax Credit. The tax credit will now expire on July 1, 2021. No change in taxpayer liability.	Minimal**	-\$3.0**	7/1/2016
Wisconsin	Adopted federal alternative minimum tax exemption amounts and indexing provisions. This measure was enacted in 2015.	-\$6.0	-\$25.4	1/1/2017
	Increased the standard deduction for married filers. This measure was enacted in 2015.	-\$20.9	-\$20.9	1/1/2016
	The fiscal impact of a 100 percent exclusion for capital gains on certain Wisconsin-based assets purchased after Dec. 31, 2010 and held for five years began to take effect. This was passed in the 2011 budget bill and the estimated cost will increase to \$79.4 million annually beginning 2020-21.	-\$6.0	-\$22.8	1/1/2011

Appendix F. Corporate Income Tax and Gross Receipts Taxes

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
Alabama	Enacted a port tax credit for increased use of state port facilities capped at \$5 million a year. The credit is not to exceed \$12 million for the life of the program.	-\$5.0	-\$5.0	10/1/2016
	Created a Growing Alabama tax credit for cash donations to an approved local economic development organization. The credit is not to exceed 50 percent of current year tax liability of taxpayer (corporate and individual combined). The credit is set to expire on Sept. 30, 2020.	-\$10.0	-\$10.0	6/19/2016
	Adopted an apprenticeship tax credit of \$1,000 for each apprentice employed. The credit is capped annually at \$3 million (also applies to financial institution excise tax) and is set to expire on Dec. 31, 2021.	\$0.0	-\$3.0	1/1/2017
California	Reduced income-related taxes on certain health plans. Specified income excluded from gross income for purposes of corporate income taxation. This is part of state's Managed Care Organization (MCO) tax package, passed during special session in early 2016. This reduction is set to expire on June 30, 2019.	-\$90.0	-\$90.0	7/1/2016
Colorado	Extended the number of years, from two to five, in which the Colorado Housing and Finance Authority (CHFA) may allocate low-income housing income tax credits for the development of low-income housing. The bill decreases revenue by a total of \$90 million spread out over 12 tax years. The program is set to expire on Jan. 1, 2020. No change in taxpayer liability.	\$0.0**	-\$1.5**	TY 2017
Delaware	Adopted a change in income apportionment calculation.	-\$8.2	-\$17.6	12/31/2016
	Enacted a tax credit for research and development.	\$0.0	-\$3.5	12/31/2016
Florida	Conformed with federal tax code. Adopted Section 179 Expensing Internal Revenue Code.	-\$3.2	-\$1.5	1/10/2016 (Retroactive)
Georgia	Enacted corporate tax credits for contributions to "rural hospital organizations" and "critical access hospitals."	N.A.	N.A.	N.A.
	Enacted corporate tax credits for land donated to the state for conservation use. These credits are set to expire on Dec. 31, 2021.	N.A.	N.A.	N.A.
	Conformed to federal tax code by updating research tax credit.	-\$43.1	-\$45.5	2/23/2016
	Conformed to federal tax code by updating limitation in Section 179 to \$500,000, expensing made permanent.	-\$46.2	-\$28.9	2/23/2016

Appendix F. Corporate Income Tax and Gross Receipts Taxes

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
Indiana	Phased in reduction of corporate income tax from 8.5 percent in FY 2012 to 6.5 percent in FY 2016, originally adopted in the 2011 legislative session. In the 2014 session, the corporate income tax rate was further phased down from 6.5 percent in FY 2016 to 4.9 percent in FY 2022 and thereafter. The rate for FY 2017 is 6.25 percent to be phased down to 6.0 percent in FY 2018.	-\$167.6	-\$193.5	The new phased down rate is effective at the beginning of each fiscal year.
	Phased in reduction of financial institution tax (FIT) from 8.5 percent in calendar year (CY) 2013 to 6.5 percent in CY 2017. The original legislation was adopted in the 2013 session and the law also changed the distributions of the FIT revenues. In 2014 Session, the FIT rate was further phased down from 6.5 percent in CY 2018 to 4.9 percent in CY 2023 and thereafter. The rate for CY 2017 and CY 2018 will be 6.5 percent.	-\$32.3	-\$26.3	The new phased down rate is effective at the beginning of each calendar year.
	Expanded the eligibility for the Industrial Recovery tax credit.	\$0.0	-\$1.7	1/1/2017
	Extended the Venture Capital Investment tax credit to Dec. 31, 2020. No change in taxpayer liability.	N.A.**	-\$5.4**	1/1/2015
	Extended the Hoosier Business Investment tax credit to Dec. 31, 2020. No change in taxpayer liability.	N.A.**	-\$8.9**	1/1/2015
Iowa	Enacted a renewable chemical tax credit. The negative revenue impact begins FY 2019 with an expected net revenue of -\$92.5 million between FY 2019 and FY 2031. This credit is offset by reductions in other tax credits.	\$0.0	\$0.0	7/1/2019
Louisiana	Expanded the corporate franchise tax to other forms of business organizations other than traditional C-corporations. The bill also provided an exception for subsidiaries of S-corps purchased between Jan. 1, 2012 and Jan. 1, 2014.	\$10.3	\$89.3	1/1/2017
	Imposed various limitations to the Enterprise Zone Program, with accumulating state revenue gains as program costs are diminished.	\$0.0	\$2.0	03/10/2016
	Modified the refundability of inventory credit by establishing a tiered structure that effectively reduces the aggregate amount of credit that is refundable in excess of offsetting tax liabilities. Credit Balances not refundable are allowed a five-year carry-forward against future tax liabilities. Applicable to all tax returns filed on and after July 1, 2016.	\$17.3	\$17.3	N.A.

Appendix F. Corporate Income Tax and Gross Receipts Taxes

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
Louisiana, continued	Modified the refundability of inventory credit available to manufacturers with ad valorem industrial tax exemption benefits. Credit available in excess of tax liabilities are not to be refunded, but are allowed a five-year carry-forward against future tax liabilities. Applicable to all tax returns filed on and after July 1, 2016.	\$57.0	\$57.0	N.A.
Maine	Partially conformed corporate taxes to the federal tax code.	-\$6.7	-\$6.4	4/16/16 for tax years beginning on or after 1/1/16
Maryland	Enacted a credit for businesses operating a qualifying aerospace, electronics or defense contract tax credit project. The credit is equal to \$250 per qualified employee, subject to a \$2.5 million maximum value per project. The credit is set to expire on June 30, 2021.	-\$7.5	-\$7.5	7/1/2016
	Altered and extended the Heritage Structure Rehabilitation Tax Credit. This tax credit is now set to expire on July 1, 2022.	\$0.0	-\$9.3	6/1/2016
Michigan	Repealed the Insurance Tax Credit.	\$80.0	\$80.0	7/13/2016
Mississippi	Enacted the Taxpayer Pay Raise Act of 2016. This bill phases out corporate income tax on the first \$5,000 of taxable income over a five-year period beginning in CY 2018. Changes rate from 3 percent on the first \$5,000 of taxable income to 0 percent on the first \$5,000 of taxable income once the five-year phase-in is complete.	\$0.0	-\$0.2	1/1/2016
	Enacted the Taxpayer Pay Raise Act of 2016. This legislation phases out Franchise Tax over a 10-year period. The phase out begins in CY 2019.	\$0.0	\$0.0	1/1/2016
	Enacted the Taxpayer Pay Raise Act of 2016. This legislation provides a self-employment tax deduction beginning in calendar year 2017. This deduction is based on self-employment taxes imposed and will be implemented as follows: 17 percent of federal self-employment taxes imposed for taxable years ending in CY 2017; 34 percent of federal self-employment taxes imposed for taxable years ending in CY 2018; and 50 percent of federal self-employment taxes imposed for taxable years ending in CY 2019 and thereafter.	\$0.0	-\$3.4	1/1/2016
	Provided a tax credit for inventory taxes paid. This is phased in over a four-year period beginning in FY 2014. FY 2014 -\$7 million, FY 2015 -\$14 million, FY 2016 -\$21 million and FY2017 -\$126 million. These figures represent the cumulative loss in revenue per Department of Revenue. Originally enacted during the 2012 regular session.	-\$84.0	\$0.0	7/1/2013

Appendix F. Corporate Income Tax and Gross Receipts Taxes

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
Nevada	Restructured the modified business tax—general business (general businesses exclude financial and mining businesses), which was scheduled to sunset. The tax rate went up from 1.17 percent to 1.475 percent and the exemption for taxable wages was decreased from \$85,000 to \$50,000 per quarter. The legislation also removed mining businesses from the tax base. No change in taxpayer liability.	\$281.4**	N.A.	7/1/2015
	Restructured the modified business tax on mining businesses so that they are required to pay the net proceeds of mineral tax instead of the modified business tax on general business. Under the new provisions, all quarterly taxable wages are taxed at 2.0 percent. No change in taxpayer liability.	\$6.5**	N.A.	7/1/2015
	Approved a commerce tax on the gross revenue of each business entity whose Nevada gross revenue exceeds \$4 million in a fiscal year. There are 26 different rates based on different industry codes, ranging from 0.051 percent to 0.331 percent. No change in taxpayer liability.	\$119.8**	N.A.	7/1/2015
	Approved a new commerce tax credit, which is allowed against the modified business tax due during the fiscal year not to exceed 50 percent of the commerce tax paid for the preceding fiscal year. No change in taxpayer liability.	-\$59.3**	N.A.	7/1/2016
New Hampshire	Decreased Business Profits Tax rate from 8.5 percent to 8.2 percent.	-\$12.0	-\$14.9	1/1/2016
	Decreased Business Enterprise tax rate from 0.75 percent to 0.72 percent.	-\$9.1	-\$12.4	1/1/2016
	Increased Research and Development tax credit from \$2 million aggregate to \$7 million aggregate.	\$0.0	\$0.0	7/1/2017
New Jersey	Increased cap on Economic Redevelopment and Growth tax credits by \$90 million.	N.A.	N.A.	9/7/2016
New Mexico	Extended and amended the Sustainable Building Tax Credit against the personal and corporate income tax. Extended the credit beyond current sunset of Dec. 31, 2016 to Dec. 31, 2026. This legislation was originally enacted in 2015. No change in taxpayer liability.	\$5.0**	\$5.0**	7/1/2016
	Reduced corporate income tax rate from 4.8-7.6 percent to 4.8-5.9 percent.	-\$70.5	-\$70.5	7/1/2016
New York	Created the Farm Workforce Retention Credit, which allows farm employers to claim a refundable tax credit for each farm employee. The purpose is to offset the impact of the minimum wage increase. The fiscal impact begins in FY 2019 with a revenue loss of \$15 million and a revenue loss of \$37 million in FY 2023.	\$0.0	\$0.0	1/1/2017

Appendix F. Corporate Income Tax and Gross Receipts Taxes

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
New York, continued	Extended the Hire-A-Vet tax credit for two years. The fiscal impact takes effect in 2019 and 2020 with a revenue loss of \$37 million for these years. This measure is now set to expire on Dec. 31, 2018. No change in taxpayer liability.	\$0.0**	\$0.0**	1/1/2017
	Authorized an additional \$8 million in low-income housing credits to be allocated in FY 2017 through March 31, 2021.	\$0.0	-\$8.0	1/1/2017
	Authorized an additional \$30 million of tax credits for Urban Youth Tax Credits allocated in tax years 2016 and 2017. Extended the eligibility to non-metro areas. No change in taxpayer liability.	\$0.0	-\$30.0	1/1/2016
	Extended the Empire State Commercial Production Tax Credit for two years. The fiscal impact will take effect in FY 2019 and FY 2020, resulting in a revenue loss of \$7 million for these years. The tax credit is now set to expire on Dec. 31, 2018.	\$0.0**	\$0.0**	1/1/2017
	Made the Special Additional Mortgage Recording Tax refundable under corporate franchise tax for all taxpayers. Part of the technical cleanup from 2014 corporate tax reform.	-\$15.0	-\$15.0	Retroactive to 01/01/15
	Extended the credit for purchasing or upgrading a for-hire vehicle for use by disabled individuals through 2022. The fiscal impact begins in FY 2019 and will result in a \$5 million annual revenue loss. The credit is now set to expire on Dec. 31, 2022. No change in taxpayer liability.	\$0.0**	\$0.0**	1/1/2017
	Expanded eligibility for Economic Transformation and Revitalization Program credits to psych centers.	\$0.0	-\$2.0	4/13/2016
North Carolina	Reduced corporate income tax rate from 4 percent to 3 percent as a result of legislation passed in 2015 that created a trigger for a 1 percent reduction in the corporate income tax the following tax year when the amount of net General Fund tax collected in a fiscal year exceeded \$20,975,000.	N.A.	N.A.	1/1/2017
North Dakota	Continued phase-in of an alternate income apportionment method (single sales factor) for calculating the corporate income tax.	-\$7.5	-\$25.0	1/1/2015
Ohio	Enhanced the motion picture tax credit.	-\$20.0	-\$20.0	7/1/2016
Oklahoma	Placed a cap on the Investment/New Jobs tax credit. This cap is set to expire Dec. 31, 2018. This change affects both personal and corporate income tax revenues.	\$9.1	N.A.	11/1/2016

Appendix F. Corporate Income Tax and Gross Receipts Taxes

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
Oregon	Modified and extended the corporate income tax credit for biomass production. Decreased the credit from \$5 per wet ton to \$3.50 per wet ton. The entire credit is set to sunset on Jan. 1, 2022.	\$1.6	-\$4.3	1/1/2016
Rhode Island	Reduced the annual corporate minimum tax. This is the second consecutive budget to reduce minimum tax. The old minimum was \$450; the new minimum is \$400.	-\$1.6	-\$3.2	1/1/2017
Tennessee	Expanded the minimum requirement for a business to be considered a qualified data center for the purpose of being exempt from the sales and use tax on cooling equipment or backup power infrastructure. The minimum number of jobs required to be created decreased from 25 to 15, and the minimum capital investment required to be made decreased from \$250 million to \$100 million.	-\$4.1	-\$4.1	7/1/2016
Utah	Amended the corporate franchise and income tax. This offers computer and computer product manufacturers the option of filing their corporate return using either single sales, double weighted sales, or the three-factor formula.	-\$2.6	-\$2.8	1/1/2016
Virginia	Increased cap on existing Research and Development tax credit by \$1 million. Created a new Research and Development tax credit for firms with R&D spending over \$5 million annually, capped at \$20 million a year. Increased the overall cap on credits from \$6 million to \$27 million per year. This tax credit applies to both personal and corporate income tax.	\$0.0	-\$21.0	1/1/2016
	Provision expired on July 1, 2016 that permits persons with an economic interest in coal to redeem VA Coal Employment and Production Incentive Tax Credits in excess of tax liability.	\$0.9	\$1.6	N.A.
Washington	Expanded a business and occupation tax deduction for amounts received for providing chemical dependency services under a government-funded program. Previously this deduction only applied to metal health services. This measure is set to expire on Jan. 1, 2020.	-\$1.9	-\$2.3	4/1/2016
West Virginia	Updated the meaning of federal taxable income and extended bonus depreciation.	-\$27.0	-\$10.0	1/1/2016
Wisconsin	Completed the four-year phase-in of the Manufacturing Agricultural Credit (MAC), which is equal to 7.5 percent of Wisconsin-based manufacturing and agricultural income beginning tax year 2016.	-\$205.8	-\$205.8	1/1/2016
	Consolidated business tax credits. This measure was enacted in 2015.	\$5.8	\$0.8	1/1/2016
	Sunset the electronic medical records tax credit for tax years beginning on or after Jan. 1, 2014. The sunset was enacted in 2013.	\$7.5	\$7.5	1/1/2014

Appendix F. Sales and Use Taxes

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
Arizona	Adopted a sales tax exemption on agricultural feed used in non-commercial boarding of livestock.	-\$1.0	\$0.0	8/6/2016
	Adopted a sales tax exemption on aircraft and aircraft equipment operated by charter airlines.	\$0.0	-\$2.3	7/1/2017
	Adopted a sales tax exemption on fine art purchased by nonresidents at an auction or a gallery in the state, for use outside the state.	-\$1.3	\$0.0	9/1/2016
	Modified the existing sales tax exemption on electricity and natural gas sold to manufacturers and smelters.	-\$7.0	-\$7.0	1/1/2017
California	Enacted Proposition 64, exempting certain sales of medical marijuana from state sales tax. Passed as part of Proposition 64 legalizing recreational marijuana.	-\$30.0	\$30.0	11/8/2016
Connecticut	Adopted a sales tax exemption for feminine hygiene products and disposable or reusable (non-adult) diapers. This exemption removes approximately \$7.8 million from the tax base beginning on July 1, 2018.	\$0.0	-\$7.8	7/1/2018
Florida	Enacted a phase-out of the asphalt tax.	-\$0.5	-\$1.0	7/1/2016
	Enacted a sales tax exemption for certain sales by Veteran Service Organizations.	-\$1.2	-\$1.4	7/1/2016
	Adopted a Back-to-School sales tax holiday for calendar year 2016.	-\$22.9	-\$0.0	7/1/2016
	Expanded the medical use of cannabis.	\$1.5	\$3.1	3/25/2016
	Enacted a sales tax exemption for metal recyclers.	-\$1.7	-\$1.8	7/1/2016
	Enacted a permanent sales tax exemption for manufacturing machinery and equipment.	-\$0.0	-\$62.8	7/1/2016
Georgia	Extended sales tax exemption for construction of competitive projects of regional significance. The exemption is now set to expire on June 30, 2019. No change in taxpayer liability.	-\$4.3**	-\$8.6**	7/1/2016
	Created a sales tax exemption on admission to non-recurring major sporting events. This is expected to generate at least \$50 million in state revenue. The tax exemption is set to expire on Dec. 31, 2022.	-\$0.9	-\$2.6	7/1/2016
	Adopted a sales tax holiday on energy efficient products. The tax holiday was valid from Sept. 30, 2016 to Oct. 2, 2016.	-\$1.0	\$0.0	9/30/2016
	Adopted a Back-to-School sales tax holiday on July 30, 2016.	-\$42.0	\$0.0	7/30/2016

Appendix F. Sales and Use Taxes

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
Indiana	Enacted a requirement that contractors collect sales tax on the retail price of construction materials under time and materials contracts. This change reverses a tax court decision that would have required the Department of Revenue to issue refunds. Previously, use tax was due on the wholesale price of these construction materials.	\$7.9	\$7.9	1/1/2010 (retroactive)
	Enacted a requirement that a person who rents rooms in a house, condo or apartment for less than 30 days must collect sales tax.	Indeterminate, but a potentially significant increase	Indeterminate, but a potentially significant increase	7/1/2017
	Adopted a sales tax exemption for legal tender, coins and bullion.	-\$1.5	-\$1.5	7/1/2016
Iowa	Expanded the definition of sales tax exempt manufacturing consumables.	-\$21.3	-\$22.4	7/1/2016
Louisiana	Increased the state sales tax rate by 1 percent on the traditional base of transactions. It also subjected various formerly exempt transactions to the new levy. This tax increase is set to expire on June 30, 2018.	\$880.6	\$880.6	4/1/2016
	Passed legislation which subjects formerly exempt transactions to the state sales tax. This measure is set to expire on June 30, 2018.	\$272.3	\$272.3	4/1/2016
	Capped vendor compensation to dealers remitting state sales tax at \$1,500 per month (\$18,000 per year), and compensation is only allowed on the original 4 percent sales tax rate.	\$14.6	\$14.6	4/1/2016
	Expanded the definition of hotel to include establishments with any number of rooms including residential locations furnished to transient guests. The receipts are received by the general sales tax, but are generally dedicated to the local area from which they are generated.	Increase	Increase	7/1/2016
	Renewed a 1 percent state sales tax on interstate telecommunications services. No change in taxpayer liability.	\$3.4**	\$3.4**	4/1/2016
Maine	Adopted a sales tax exemption for fuel used in commercial agriculture, aquaculture, fishing and wood harvesting.	-\$3.5	-\$10.0	1/1/2017
	Legalized possession and use of marijuana by a person 21 years of age or older. The bill places a sales tax of 10 percent on retail marijuana and retail marijuana products.	\$2.7	\$10.5	11/8/2016
Maryland	Enacted a sales tax exemption for construction material or warehousing equipment purchased for use in certain qualified redevelopment projects. This exemption is set to expire on Sept. 30, 2026.	-\$1.0	Indeterminate, but revenue decrease is assumed to exceed \$1.0 million annually	10/1/2016

Appendix F. Sales and Use Taxes

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
Michigan	Reduced the state use tax in order to create a local use tax. This measure is part of a personal property tax reform package adopted in 2012 to reimburse local units for revenue. The combined state and local tax rate remains at 6 percent.	-\$380.9	-\$410.8	10/1/2015 (legislation adopted in 2012)
Minnesota	Altered the sales tax on modular homes to 6.5 percent of the invoice price.	-\$1.0	-\$1.1	6/30/2016
Mississippi	Clarified that certain sales to schools under federal programs are exempt and revised the exemption for durable medical equipment.	N.A.	N.A.	7/1/2016
Missouri	Amended the Missouri Constitution to prohibit a new state or local sales/use or other similar tax on any service or transaction. This amendment only applies to any service or transaction that was not subject to a sales/use or similar tax as of Jan. 1, 2015.	\$0.0	\$0.0	11/8/2016
	Extended for 10 years the 0.1 percent sales and use tax that is used for soil and water conservation and for state parks and historic sites. This tax will be resubmitted to the voters for approval in 10 years. No change in taxpayer liability.	\$90.0**	\$90.0**	11/8/2016
Nebraska	Enacted various sales tax exemptions.	-\$1.5	-\$2.4	4/19/2016
	Changed provisions of the Convention Center Facility Financing Assistance Act and the Sports Arena Facility Financing Assistance Act and adopted the Affordable Housing Tax Credit Act.	-\$1.4	-\$3.3	10/1/2016
Nevada	Extended the local school support sales tax increase of 0.35 percent that was scheduled to sunset on June 30, 2015. No change in taxpayer liability.	\$193.7**	N.A.	7/1/2015
	Adopted a ballot measure that will bring the question to vote to add new sections to the Nevada Constitution exempting durable medical equipment, oxygen delivery equipment and mobility enhancing equipment from the sales and use tax when such equipment is prescribed for human use by a licensed health care provider. Needs to be approved in 2018 general election to become law.	N.A.	N.A.	N.A.
New Jersey	Decreased state sales tax rate from 7 percent to 6.875 percent for tax year 2017. This is part one of a two-part phase-in. On Jan. 1, 2018, the state sales tax rate will decrease from 6.875 percent to 6.625 percent as the second part of the phase-in of the new rate.	-\$92.4	Out-year fiscal impact unclear	1/1/2017
	Expiration of the reduced tax rate of 50 percent of taxation in certain urban enterprise zones. The tax rate has returned to 100 percent of the original rate.	\$10.0	\$19.0	1/1/2017

Appendix F. Sales and Use Taxes

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
New York	Enacted a sales tax exemption for the purchase of fuel cells.	-\$4.0	-\$2.0	6/1/2016
North Carolina	Enacted a sales and use tax exemption on Styrofoam pellets for wastewater system materials.	-\$1.0	-\$1.0	1/1/2017
	Repealed a tax on automotive service contracts.	-\$1.6	-\$3.5	1/1/2017
North Dakota	Exempted sales tax for the sale of Internet access services. The tax rate is reduced from 5.0 percent to 0.0 percent.	\$0.0	-\$10.0	7/1/2017
Ohio	Adopted a sales tax holiday for three days in August 2016.	-\$15.1	\$0.0	08/05/2016-08/07/2016
	Enacted a sales tax exemption for sales of natural gas by municipally owned gas company.	-\$6.9	-\$2.1	Applies retroactively
Pennsylvania	Imposed a sales tax on digital downloads of books, music, photographs, games, audio, apps, canned software, satellite radio, and streaming video and audio	\$46.9	\$59.2	8/1/2016
	Exempted the business of producing or harvesting trees for commercial production of wood, paper or energy products from sales tax.	\$0.0	-\$2.5	7/1/2017
	Introduced a cap on the current 1 percent vendor discount on timely filed returns. It is now capped at \$300 per year or 1 percent of remittance, whichever is smaller. Business with taxable sales of \$500,000 or less are not affected.	\$55.5	\$69.2	8/1/2016
South Carolina	Removed the 5 percent sales tax surcharge on car rentals and heavy equipment rentals.	-\$1.9	N.A.	6/6/2016
South Dakota	Increased state sales tax rate by 0.5 percent, from 4 percent to 4.5 percent. This provided additional money for teacher salaries and was offset by a reduction in property taxes. See Appendix D for the revenue impact of the property tax reduction.	\$107.0	N.A.	6/1/2016
Virginia	Enacted a sales tax exemption for solar and wind energy equipment used by public service corps.	Unknown negative	Unknown negative	1/1/2017
West Virginia	Legalized the sale of fireworks and enacted a 6 percent sales tax on firework sales.	\$0.9	\$0.9	6/1/2016
	Eliminated the sales tax exemption of durable medical equipment purchased by healthcare providers. This is a temporary change which sunsets on June 30, 2018.	\$14.0	\$14.0	7/1/2016
Wisconsin	Created a sales tax exemption for construction materials purchased by contractors and used in construction projects for certain tax-exempt entities. This measure was enacted in 2015.	-\$3.2	-\$3.2	1/1/2016

Appendix F. Health Care Provider and Industry Taxes

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
Alabama	Extended current assessment on private hospitals and changed the base year for calculating the assessment. (If the assessment was not extended, Medicaid would lose \$257.5 million based on FY 2015 receipts.) Base year change from FY 2011 to FY 2014. The extension terminates on Sept. 30, 2017. No change in taxpayer liability.	\$6.0**	\$6.0**	10/1/2016
California	Enacted a tax on certain Managed Care Organization (MCO) providers. The tax consists of various taxing tiers and per enrollee amounts. The net effect on revenue reflects the sum of gross tax revenue and a reduction for the amount paid back to MCOs through increased MediCal managed care payments. This is part of the MCO tax package and is set to expire on June 30, 2019.	\$1,100.0	\$1,700.0	7/1/2016
Louisiana	Increased the premium tax on health maintenance organizations from 2.25 percent to 5.5 percent effective for calendar year 2016. Roughly 90 percent of these receipts will be dedicated to the Medical Assistance Trust Fund	\$187.0	\$124.0	N.A.
	Exempted health maintenance organizations (HMOs) from the reduction in the investment tax credit against premium tax liabilities that was enacted in Act 10 of 2016 Extraordinary Session 1 for FY 2017 and FY 2018.	-\$1.3	-\$1.3	N.A.
	Medicaid expansion increased premium tax collections at the existing 2.25 percent tax rate. These receipts will be dedicated to the Medical Assistance Trust Fund.	\$23.8	\$59.6	N.A.
	Medicaid expansion increased premium tax collections as a result of the 3.25 percent tax rate increase on health maintenance organizations from 2.25 percent to 5.5 percent effective for calendar year 2016. These receipts will be dedicated to the Medical Assistance Trust Fund.	\$34.5	\$86.1	N.A.
Tennessee	Extended the Annual Coverage Assessment Act of 2016, which establishes an annual coverage assessment on hospitals of 4.52 percent of a covered hospital's annual coverage assessment base and is required to be paid in equal quarterly installments. No change in taxpayer liability	\$449.8**	N.A.	07/01/2016
	Extended the annual nursing home assessment for an additional year. No change in taxpayer liability.	\$121.0**	N.A.	07/01/2016
Vermont	Adopted an ambulance provider tax at a rate of 3.3 percent.	\$1.2	N.A.	7/1/2016
West Virginia	Increased the gross receipts tax on eligible acute care hospitals from 0.72 percent to 0.74 percent. This tax is set to sunset on June 30, 2017.	\$15.0	\$5.0	7/1/2016
	Eliminated the 5 percent behavioral health severance tax and business privilege tax imposed on health care service providers.	-\$16.0	-\$16.0	N.A.
Wyoming	Enacted legislation establishing a private hospital assessment.	\$4.6	\$4.6	7/1/2016

Appendix F. Tobacco Taxes

State	Description	FY2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
California	Enacted Proposition 56, which increased cigarette tax by \$2 per pack, with equivalent increases on other tobacco products and electronic cigarettes containing nicotine. This increase is expected to raise \$1.4 billion in new revenue in FY 2018. Of this total, it is estimated that \$24 million will come from taxes on electronic cigarettes.	\$368.0	\$1,400.0	4/1/2017
Kansas	Effective date of e-cigarette tax decelerated from July 1, 2016 to Jan. 1, 2017.	\$0.0	-\$1.0	7/1/2016
Louisiana	Increased tax on cigarettes by 22 cents per pack from 86 cents per pack to \$1.08 per pack.	\$46.0	\$46.0	4/1/2016
Michigan	Extended the sunset on the cap on the maximum tax applied to a cigar. This cap is now set to expire on Oct. 31, 2021. No change in taxpayer liability.	-\$2.5**	-\$2.5**	10/1/2016
Pennsylvania	Increased tax on cigarettes by \$1, from \$1.60 per pack to \$2.60 per pack.	\$431.1	\$446.6	8/1/2016
	Introduced a 55 cent per ounce tax on alternative tobacco products such as smokeless tobacco and roll-your-own cigarettes with a floor minimum weight of 1.2 ounces.	\$51.3	\$81.9	10/1/2016 (alternative tobacco); 12/1/2016 (roll-your-own cigarettes)
	Enacted a tax on e-cigarettes of 40 percent of the wholesale price imposed on vapor producing devices and liquid cartridges.	\$13.3	\$21.3	10/1/2016
Nevada	Raised the cigarette tax by \$1 per pack. The rate went from \$0.80 to \$1.80 per pack. No change in taxpayer liability.	\$95.4**	N.A.	7/1/2015
West Virginia	Increased cigarette tax by 65 cents, from \$0.55 per pack to \$1.20 per pack.	\$92.4	\$90.4	7/1/2016
	Increased tax on alternative tobacco products by 5 percent from 7 percent of the wholesale price to 12 percent of the wholesale price.	\$4.7	\$4.7	7/1/2016
	Enacted a tax on e-cigarettes. The new tax is imposed on the sales of e-cigarette liquid at a rate of 7.5 cents per milliliter.	\$1.4	\$1.8	7/1/2016

Appendix F. Alcohol Related Taxes

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
Louisiana	Increased the excise tax rates on beer and other alcoholic beverages. Inventories on hand are not subject to the rate increase.	\$19.2	\$19.3	4/1/2016
New York	Adopted an Alcohol Beverage Production credit to extend to wine, cider and liquor. Also includes a sales tax exemption for alcoholic beverages used for tastings.	-\$1.0	-\$3.0	1/1/2016
Tennessee	Extended the temporary 50 cents per barrel of beer tax and the temporary 0.4 percent tax on gross receipts until July 1, 2022, or until July of any year following the enactment of any state or federal law that imposes mandatory deposits by consumers on beverage containers sold in Tennessee, whichever occurs first. No change in taxpayer liability	\$4.9**	\$4.9**	6/1/2016

Appendix F. Motor Fuel Excise Taxes

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
Iowa	Extended the Environmental Protection Charge for motor fuel taxes. The 1 cent per gallon tax was extended six months and expired on Dec. 31, 2016. No change in taxpayer liability.	\$7.0**	\$0.0**	7/1/2016
Michigan	Raised the gas tax rate from 19 cents per gallon to 26 cents per gallon as part of a transportation funding package enacted in November 2015. This legislation also modified alternative fuel taxes.	\$135.7	\$212.8	1/1/2017
	Raised the tax rate for diesel fuels from 15 cents per gallon to 26 cents per gallon as part of a transportation funding package enacted in November 2015.	\$69.0	\$92.9	1/1/2017
New Jersey	Increased petroleum products gross receipts tax for highway fuels (excluding diesel) by 12.85 percent or 22.6 cents per gallon. The previous rate was 4 cents per gallon. Effective Nov. 1, 2016. The gross receipts tax for diesel fuel will also increase to 70 percent of highway fuels tax rate effective Jan. 1, 2017, increasing to 100 percent of the rate on July 1, 2017. This rate will be adjusted annually to cap revenue. This revenue estimate includes revenue from both highway fuel and diesel taxation.	\$694.1	\$1,159.6	11/1/2016
	Increased the petroleum products gross receipts tax on non-highway fuel oil and non-fuel products. The rate was increased from 2.75 percent to 7 percent, or 12.4 cents per gallon. The cents on the gallon calculation is adjusted quarterly based on price for fuel oil only.	\$20.7	\$31.1	1/1/2017
	Increased the petroleum products gross receipts tax on diesel fuel. The increased rate will be phased in between Jan. 1, 2017 and July 1, 2017. The new rate will be 8 cents per gallon; the old rate was 4 cents per gallon.	\$0.0	\$39.6	7/1/2017
New York	Extended the alternative fuels tax exemptions (sales tax, petroleum business tax, and motor fuel tax). These exemptions are set to expire on Aug. 31, 2021. No change in taxpayer liability.	-\$0.5**	-\$1.0**	9/1/2016
Vermont	Increased fuel gross receipts tax from 0.5 percent per gallon to 0.75 percent, or 2 cents per gallon. Electricity is excluded from this increase. This is a temporary tax increase that is set to expire on June 30, 2021.	\$3.8	N.A.	7/1/2016
West Virginia	Eliminated the Moor Fuel Tax for the railroad industry. The full effect of this credit will not be experienced until FY 2019 due to the timing of returns. Annual revenue impact for this credit is estimated to be a decrease of \$4.3 million in the out years.	\$0.0	-\$1.0	N.A.

Appendix F. Miscellaneous Taxes

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
Alaska	Modified various oil and gas tax credits.	\$0.0	\$15.0	Various
California	Reduced income-related taxes on certain health plans. This change affects certain premium income of health plan related insurers. The tax rate has been reduced from 2.35 percent to 0 percent. This is part of the MCO tax package and is set to expire on June 30, 2019.	-\$210.0	-\$350.0	7/1/2016
	Enacted Proposition 64 legalizing recreational marijuana and hemp under state law. Designated state agencies to license and regulate marijuana industry. Imposed state excise tax on retail sales of marijuana equal to 15 percent of sales price, and state cultivation taxes on marijuana of \$9.25 per ounce of flowers and \$2.75 per ounce of leaves. Exempts medical marijuana from some taxation. This measure also allows for local regulation and taxation of marijuana. The legalization is estimated to raise \$560 million in new revenue in FY 2019 and out years.	\$0.0	\$0.0	11/8/2016
Louisiana	Reinstated a 3 percent excise tax on short-term automobile rentals, with a 2.5 percent tax for state government and a 0.5 percent tax for local entities.	\$5.0	\$5.0	4/1/2016
	Made a 5 percent reduction in the investment tax credit against premium tax that is available to insurers based on the share of admitted assets they hold in various Louisiana investments. This is effective for premium years 2016 and 2017. Also, imposed a 6 percent tax on premiums of health maintenance organizations participating in the State Bayou Health Program, which provides health care services to low-income populations.	\$8.3	\$8.6	Effective for premium years 2016 and 2017
Massachusetts	Legalized possession and use of marijuana by a person 21 years of age or older. Retail marijuana is subject to the state sales tax with an additional 3.75 percent excise tax. Local municipalities are given the option of adding an additional 2 percent tax.	Retail stores set to open July 2018. Out-year fiscal impact unknown.	N.A.	1/1/2016
Nevada	Imposed a new 3 percent excise tax on the fare charged by a transportation network company (Uber and Lyft), a common motor carrier of passengers or a taxicab. No change in taxpayer liability.	\$22.9**	N.A.	8/28/2015
	Enacted a ballot measure legalizing the possession and use of marijuana by a person 21 years of age or older. An excise tax of 15 percent is imposed on wholesale sales of marijuana. The existing state sales tax would apply to retail sales of marijuana. Net revenue generated from this tax will be used for the support of K-12 education.	Indeterminate	Indeterminate	11/8/2016

Appendix F. Miscellaneous Taxes

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
New Jersey	Modified estate tax to increase the exclusion from \$675,000 to \$2 million as of Jan. 1, 2017. The exclusion will increase to 100 percent of the estate beginning Jan. 1, 2018.	-\$16.0	-\$116.4	1/1/2017
North Carolina	Expanded mill machinery tax (1 percent per \$80.00) to metal fabricators and secondary metal recyclers.	\$1.6	-\$1.8	7/1/2016
Oklahoma	Ended a gross production tax incentive for economically at-risk oil and gas leases. The measure limits the exemption to production from calendar year 2014 and provides that no claims for refunds will be paid after Dec. 31, 2016.	\$51.8	N.A.	7/1/2016
Oregon	Increased the rate of the statewide transient lodging tax from 1 percent to 1.8 percent.	\$13.6	\$14.4	7/1/2016
Pennsylvania	Increased the Bank Shares Tax rate from 0.89 percent to 0.95 percent for the calendar year beginning Jan. 1, 2017 and each year thereafter.	\$23.5	\$24.8	1/1/2017
	Introduced the Bank Shares Tax Edge Act Exclusions. Banks can exclude 20 percent of the book value of total equity capital of foreign subsidiaries from taxable income for the year beginning Jan. 1, 2018. There is a five-year phase-in allowing an additional 20 percent exclusion each year.	\$0.0	-\$2.9	1/1/2018
	Adopted numerous changes to various tax credit programs.	-\$20.9	-\$49.3	Varies
	In addition to the current table games tax of 12 percent, the state adopted a separate 2 percent tax on gross table game revenue. This additional rate will sunset in three years on June 30, 2019.	\$16.8	\$17.7	8/1/2016
	Established a tax refund program for sales tax paid on computer data center equipment purchases for qualified centers. The program is capped at \$5 million	\$0.0	-\$5.0	7/1/2017
	Introduced a tax amnesty program. During a 60-day period within 2016-2017, delinquent taxpayers will be able to have penalties and 50 percent of interest waived on delinquencies that existed prior to Dec. 31, 2015.	\$100.0	-\$25.0	7/13/2016
Utah	Adjusted severance tax calculations to exclude royalty revenue in calculation of taxable value and taxable volume.	-\$1.2	-\$0.5	Retroactive to 1/1/2015
West Virginia	Enacted a 12 percent safety tax on all retail sales of newly legalized fireworks.	\$2.2	\$2.2	N.A.

Appendix F. Fees

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
Alaska	Increased hunting, fishing and trapping fees.	\$2.7	\$9.1	1/1/2017
	Enabled fees for Geologic Materials Center.	\$0.1	\$0.2	7/1/2016
California	Increased hazardous waste permitting fees, in part to address permitting backlogs at the Department of Toxic Substances Control.	\$3.6	N.A.	N.A.
	Extended hospital quality assurance fee for one year to Jan. 1, 2018. No change in taxpayer liability.	N.A.**	\$850.0**	1/1/2017
Colorado	Increased fees for driver's licenses and related services.	\$1.1	\$1.9	N.A.
	Created a monthly surcharge on all mobile wireless and Voice-over-Internet Protocol (VoIP) subscribers of 5 cents per line per month (60 cents per year). The additional surcharge revenue will be used to cover annual appropriations to the Reading Services for the Blind Cash Fund in the Colorado Department of Education (CDE) and the Colorado Commission for the Deaf and Hard of Hearing Cash Fund in the Department of Human Services (DHS).	\$2.2	\$2.2	8/10/2016
	Created a surcharge of \$1-\$2 (determined administratively) on all documents that a county clerk and recorder retains for recording or filing certain documents related to real estate deeds or tax liens. Fee revenue goes to an enterprise fund in the Secretary of State's office and is exempt from the state's constitutional revenue limit. The surcharge repeals on Dec. 31, 2021.	\$0.9	\$1.8	1/1/2017
Connecticut	Capped probate court fees at \$40,000 total for settling estates valued at \$8.877 million. This change impacts the Probate Court Administration Fund and partially reversed a policy in last year's budget that eliminated the \$12,500 cap on estates over \$2 million.	-\$4.5	-\$4.5	7/1/2016
Florida	Adopted an out-of-state college tuition fee waiver for active duty service members.	-\$1.0	-\$1.1	7/1/2016
	Enacted a concealed weapon license fee reduction.	-\$3.5	-\$2.8	7/1/2016
	Enacted fingerprint retention fees.	\$1.3	\$1.1	7/1/2016
Idaho	Adopted a surcharge for penalties directed to General Fund rather than specific purposes.	\$2.9	\$2.9	7/1/2016
Kansas	Enacted new fees of \$3.25 annually for each vehicle to increase highway patrol and law enforcement training funding. Increased fee from \$39 to \$42.25.	\$9.1	\$0.0	7/1/2016
Kentucky	Created a felony record expungement petition filing fee. The fee is \$500.	\$1.0	\$1.0	7/15/2016

Appendix F. Fees

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
Louisiana	Authorized the Department of Health to increase the per-bed per-day fee charged to nursing facilities.	\$16.9	\$16.9	N.A.
	Authorized the Department of Health to establish a provider fee for emergency ground ambulance service providers.	\$2.5	\$2.5	N.A.
Maryland	Reduced birth and death certificate fees from \$24 to \$10.	-\$3.6	-\$3.1	7/1/2016
Michigan	Changed the rate of record lookup fees for the Secretary of State from \$8 to \$11.	\$14.1	\$14.1	N.A.
	Changed the rate of motor vehicle registration fees. Fees vary, but are now generally 20 percent higher than the old rate. This was part of a larger transportation funding package enacted in November 2015.	\$158.4	\$215.9	1/1/2017
Nevada	Raised the business license fee to \$500 per year for corporations and \$200 per year for non-corporation type businesses. No change in taxpayer liability.	\$64.3**	N.A.	7/1/2015
	Increased commercial recording fees. No change in taxpayer liability.	\$2.8**	Indeterminate Increase	7/1/2015
New York	Reduced the Highway Use Tax Registration and Decal fee. Reduced the rate from \$19 to \$1.50.	-\$59.0	-\$6.0	4/13/2016
	Allowed state flagship schools to increase out-of-state tuition by 10 percent.	\$22.0	\$22.0	8/1/2016
Oklahoma	Reissued the official state license plate with a new license plate design.	\$13.0	N.A.	8/26/2016
Pennsylvania	Introduced non-recurring liquor modernization revenue through licensee surcharges, auctioning of restaurant licenses and casino license fees.	\$73.2	\$0.0	8/8//2016
Rhode Island	Reduced the beach fees.	-\$1.3	-\$1.8	7/1/2016
Tennessee	Revised provisions governing overweight and over-dimensional loads that are permitted and non-divisible. Old and new rates are various, and revenue will go to the Highway Fund.	\$3.7	\$7.4	1/1/2017
	Made various changes to the Tennessee Higher Education Authorization Act, including but not limited to, requiring adoption of new policies and fees for authorization of postsecondary education institutions.	-\$1.1	-\$1.1	10/1/2016
	Reduced the fee for a lifetime handgun carry permit from \$500 to \$300 for initial applicants and \$200 for existing handgun carry permit holders.	\$2.6	\$5.2	1/1/2017

Appendix F. Fees

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
Vermont	Enacted multiple changes to the vehicle registration fees.	\$9.9	N.A.	7/1/2016
	Adopted changes to public safety fees.	\$1.5	N.A.	7/1/2016
	Increased mutual fund registration fee from \$600 to \$1,500.	\$20.7	N.A.	7/1/2016
	Increased broker-dealer registration fee from \$60 to \$85.	\$3.3	N.A.	7/1/2016
Wisconsin	Increased state park and forest admission and trail fees from \$25 to \$28.	\$1.4	\$1.4	1/1/2016
	Increased state park and forest camping fees.	\$2.8	\$2.9	1/1/2015

Appendix F. Other Non-Tax Revenue

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
Arizona	Accelerated a previously enacted 0.3 percent gradual reduction of the insurance premium tax rate from 11 years to 6 years. The rate will change from 2 percent to 1.7 percent when fully phased in by 2021.	-\$2.4	-\$4.1	1/1/2016
	Established a Tax Amnesty Program that waives penalties and interest on unpaid individual income, corporate income and sales tax liabilities. Taxpayers have the option to pay their taxes owed all at once in FY 2017, or over three years, from FY 2017 to FY 2019. The program is set to expire on October 31, 2018.	N.A.	N.A.	9/1/2016
Florida	Corporate income tax due date changes.	-\$13.7	Indeterminate	5/1/2017
Hawaii	Low-Income Housing Tax Credits (LIHTC) Acceleration. The acceleration is set to terminate in Dec. 31, 2021.	N.A.	N.A.	1/1/2017
Louisiana	Reduced aggregate interest payments on overpayments of tax by starting payments 90 days after the later of the tax return due date, the return filing date or payment date. Realized as an increase in net tax collections. Composed primarily of corporate tax, 75 percent; sales tax, 20 percent; and severance tax/others, 5 percent. Some small amount accrues to dedications.	\$16.7	\$20.0	N.A.

Appendix F. Other Non-Tax Revenue

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
Louisiana, continued	Expanded the definition of dealer by establishing a nexus through affiliate arrangements involving independent contractor or other relationships. This was done in an attempt to provide enforcement and compliance from remote sellers. Additional collections from remote or online sellers is possible, but material compliance and collections are not expected.	Increase	Increase	N.A.
	Reduced the discounts provided for timely filing and remittance of excise taxes on cigarettes and other tobacco products.	\$2.2	\$2.2	N.A.
Maryland	Altered the calculation of the annual interest rate set for tax deficiencies and refunds	-\$2.1	-\$8.0	8/26/2016
Oklahoma	Enacted a Tax Commission initiative to enhance enforcement of personal income, corporate income, sales and use, and miscellaneous tax collections.	\$46.6	N.A.	8/26/2016
	Enacted a Tax Commission initiative to enhance enforcement of miscellaneous tax collections.	\$10.5	N.A.	8/26/2016
Pennsylvania	Introduced a tax amnesty program. During a 60-day period within 2016-2017, delinquent taxpayers will be able to have penalties and 50 percent of interest waived on delinquencies that existed prior to Dec. 31, 2015.	\$100.0	-\$25.0	7/13/2016
Rhode Island	Enhanced fraud and waste IT system increasing income and sales tax collections.	\$5.0	\$5.0	7/1/2016
	Enhanced compliance on retaliatory assessments for insurance tax.	\$1.1	\$1.1	7/1/2016
	Added additional staff and enhanced collection for personal income, business, and sales tax.	\$3.4	\$3.4	7/1/2016
	Conducted a corporate tax intercompany transfer pricing audit.	\$6.7	\$0.0	7/1/2016
Tennessee	Modified the franchise and excise tax regarding current requirements to make estimated quarterly payments. Reduced the penalty for underpayments.	-\$11.8	-\$5.6	1/1/2016
	Authorized terminal buildings of a commercial air carrier airport to sell packaged alcoholic beverages at retail, under certain conditions.	\$6.9	\$6.5	5/20/2016
Vermont	Changed collection schedule for the fuel gross receipts tax from quarterly to monthly.	\$1.0	N.A.	1/1/2017
	Changed collection schedule for the telephone property tax from quarterly to monthly.	\$1.0	N.A.	1/1/2017
	Changed collection schedule for the bank franchise tax from quarterly to monthly.	\$1.8	N.A.	1/1/2017

Appendix F. Other Non-Tax Revenue

State	Description	FY 2017 Amount (in millions)	FY 2018 Amount (in millions)	Effective Date
Virginia	Raised the annual sales threshold from \$2.5 million to \$10 million in FY 2017 and to \$25 million in FY 2018. The revenue loss in each year is one time in nature, reflecting the shifting of tax revenues from June of a given fiscal year into July of the next year.	-\$36.7	-\$27.0	N.A.
	Enhanced sales tax review by introducing additional compliance measures in the Department of Taxation focusing on invalid sales and use tax exemption certificates related to sales tax on tobacco products.	\$0.4	\$1.5	N.A.
	Enhanced personal income tax refund review by introducing additional compliance measures in the Department of Taxation aimed at preventing personal income tax fraud.	\$3.2	\$5.2	N.A.

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