

# States Leading The Way on Tax Reform

Last year federal lawmakers adopted the most comprehensive overhaul of the tax code in more than three decades. The important changes to the federal tax code have boosted business confidence to record highs and ensured taxpayers keep more of what they earn. As a result, the American economy is booming and tens of millions of middle-class families are better off. Importantly, states across the country seized on the opportunity for reform by enacting bold changes to their respective tax code. Now, Americans in five states are benefitting from a lower federal and state tax burden, which means more money in the pockets of hard working taxpayers.

These are the states that enacted significant changes to their tax code in the 2018 legislative session:



## GEORGIA - \$5.7 billion in tax cuts

*Governor Deal: "This legislation will keep more hard-earned money in Georgians' pockets and is an important step forward in modernizing state law to conform with federal reforms."*

- Gradually reduces the top corporate and individual tax rate from 6 to 5.5 percent by 2020.
- Doubled the standard deduction to \$4,600 for single filers and \$6,000 for joint filers.



## IDAHO - \$200 million in tax cuts

*Governor Otter: "I will gladly join you in reducing individual and corporate income tax rates with an eye toward stimulating more economic growth."*

- Cut each of the state's seven individual tax brackets, and the corporate rate by .475 percentage points.
- Conforms to the new, higher federal standard deduction and increased the child tax credit.



## IOWA - \$2 billion in tax cuts

*Governor Reynolds: "This historic state-level tax reform - coupled with tax reform at the federal level - will bring significant relief to working-class Iowans."*

- Consolidated nine individual tax brackets into four and gradually reduces the top rate to 6.5 percent.
- Across-the-board rate cuts to the four corporate income tax brackets, with a lower top rate of 9.8 percent.
- Streamlines and reforms the credit and deduction system to improve tax fairness



## MISSOURI - \$43 million in tax cuts

*Governor Parson: "This new tax cut will boost Missouri's economy with reforms to both the individual income tax and the state's business tax."*

- Reduced the individual tax rate from 5.9 to 5.4 percent with trigger to reduce the rate to 5.1 percent.
- Slashed the corporate income tax rate from 6.25 to 4 percent by 2020
- Modernized the outdated and broken tax structure that benefited special interests.



## UTAH - \$85 million in tax cuts

*Governor Herbert: "We need to update our tax code so that it conforms to the realities of today's dynamic marketplace while anticipating what tomorrow might bring."*

- Slightly cut the individual and corporate income tax rates from 5 percent to 4.95 percent
- Increased the child tax credit, as well as the homeowner's and renter's tax credits