

**Estimated Effect of Tax Reductions and Increases
Enacted since 1995**
Dollars are in Millions

	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
Sales Tax Exemptions for:												
New Construction Services	\$ 2.1	\$ 17.7	\$ 18.5	\$ 19.4	\$ 20.3	\$ 21.2	\$ 22.1	\$ 22.6	\$ 23.2	\$ 23.9	\$ 24.5	\$ 25.1
Utilities Consumed during the Production Process	\$ -	\$ 12.4	\$ 13.0	\$ 13.6	\$ 14.3	\$ 14.9	\$ 15.5	\$ 15.8	\$ 16.3	\$ 16.7	\$ 17.2	\$ 17.6
Residential Remodeling	\$ -	\$ -	\$ -	\$ -	\$ 14.7	\$ 16.6	\$ 17.3	\$ 17.7	\$ 18.2	\$ 18.7	\$ 19.2	\$ 19.6
Major Component Parts Exemption	\$ -	\$ -	\$ -	\$ -	\$ 1.4	\$ 1.6	\$ 1.7	\$ 1.7	\$ 1.8	\$ 1.8	\$ 1.9	\$ 1.9
Grain Storage and Transportation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5
Property Consumed in One Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2
Health Clinic Exemptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3.9	\$ 4.0	\$ 4.1	\$ 4.2	\$ 4.3	\$ 4.4
Integrated Plant Exemptions											\$ 5.0	\$ 5.2
Sales Tax on Used Vehicles												
Repair of Transmission Lines	\$ -	\$ 1.8	\$ 1.9	\$ 2.0	\$ 9.7	\$ 10.7	\$ 11.0	\$ 11.2	\$ 11.6	\$ 11.9	\$ 12.2	\$ 12.6
Various Other Exemptions												
Sales Tax Subtotal	\$ 2.1	\$ 31.9	\$ 33.4	\$ 35.0	\$ 60.4	\$ 66.8	\$ 73.0	\$ 73.8	\$ 75.8	\$ 77.9	\$ 85.0	\$ 87.1
Severance Taxes:												
Production Exemptions	--	--	--	\$ -	\$ 2.7	\$ 4.6	\$ 4.6	\$ 4.6	\$ 4.6	\$ 4.6	\$ 4.6	\$ 4.6
Depletion Trust Fund												
Insurance Premiums Taxes	--	--	--	\$ 1.5	\$ 21.6	\$ 26.6	\$ 28.6	\$ 24.1	\$ 19.6	\$ 15.0	\$ 12.0	\$ 24.1
Privilege Taxes					\$ 8.4	\$ 8.8	\$ 9.2	\$ 9.7	\$ 10.2	\$ 10.6	\$ 11.0	\$ 11.5
Reductions in Employers'												
Unemployment Contributions	97.4	103.8	110.7	119.8	124.2	--	--	--	--	--	--	--
Total Tax Reductions	\$ 99.5	\$ 162.4	\$ 213.0	\$ 385.3	\$ 759.4	\$ 758.0	\$ 790.2	\$ 823.7	\$ 873.1	\$ 902.2	\$ 933.6	\$ 971.1
Cumulative Reductions	\$ 99.5	\$ 261.9	\$ 474.9	\$ 860.2	\$ 1,619.6	\$ 2,377.6	\$ 3,167.8	\$ 3,991.5	\$ 4,864.6	\$ 5,766.7	\$ 6,700.4	\$ 7,671.5

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	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>
Total w/o Reduction in Employers												
Unemployment Contributions	\$2.1	\$58.6	\$102.3	\$265.5	\$635.2	\$758.0	\$790.2	\$823.7	\$873.1	\$ 902.2	\$ 933.6	\$971.1
Cumulative Reductions w/o Employers	\$2.1	\$ 60.7	\$ 163.0	\$ 428.5	\$ 1,063.7	\$ 1,821.7	\$ 2,611.9	\$ 3,435.6	\$ 4,308.7	\$ 5,210.8	\$ 6,144.5	\$ 7,115.6
Unemployment Contributions									\$ 227.6	\$ 227.6	\$ 241.1	\$ 247.6
Tax Increases									\$ 135.1	\$ 137.6	\$ 142.5	\$ 151.0
Sales and Use									\$ 80.5	\$ 73.0	\$ 72.5	\$ 72.0
Cigarette									\$ 12.0	\$ 17.0	\$ 26.1	\$ 24.6
Corporate Franchise									\$ 227.6	455.2	696.3	943.9
Cumulative Increases									\$ 227.6	455.2	696.3	943.9
Net Tax Reductions	\$ 99.5	\$ 162.4	\$ 213.0	\$ 385.3	\$ 759.4	\$ 758.0	\$ 790.2	\$ 823.7	\$ 645.5	\$ 674.6	\$ 692.5	\$ 723.5
Cumulative Net Tax Reductions	\$ 99.5	\$ 261.9	474.9	860.2	1,619.6	2,377.6	3,167.8	3,991.5	4,637.0	5,311.5	6,004.1	6,727.6

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Property Taxes:							
Car Tax Reductions	\$ 118.6	\$ 121.0	\$ 123.4	\$ 125.9	\$ 128.4	\$ 131.0	\$ 133.6
General Property Tax Reduction	\$ 442.7	\$ 460.4	\$ 478.8	\$ 497.9	\$ 517.9	\$ 538.6	\$ 560.1
Property Tax Subtotal	\$ 561.3	\$ 581.4	\$ 602.2	\$ 623.8	\$ 646.3	\$ 669.6	\$ 693.7
Income Taxes:							
Military Recruitment Bonuses	\$ 0.6	\$ 0.7	\$ 0.7	\$ 0.7	\$ 0.8	\$ 0.8	\$ 0.9
Homestead Program - Indexation	\$ 0.0	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.2	\$ 0.2
Soc Sec Exemption		\$ 6.0	\$ 12.0	\$ 13.2	\$ 14.5	\$ 16.0	\$ 17.6
Historic Preservation Tax Credits		\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6	\$ 0.6
Homestead Program Expansion		\$ 10.5	\$ 11.0	\$ 11.6	\$ 12.2	\$ 12.8	\$ 13.8
Franchise Tax Phase Out		\$ 7.0	\$ 16.5	\$ 26.5	\$ 37.0	\$ 48.0	\$ 50.0
Various Tax Credits		\$ 4.1	\$ 4.1	\$ 4.1	\$ 4.1	\$ 4.1	\$ 4.1
Endangered Species Tax Credit	\$ -						
Tax Credit for Adoptions	\$ 1.1	\$ 1.1	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2
Single Income Rate Reductions	\$ 56.2	\$ 58.7	\$ 61.4	\$ 64.1	\$ 67.0	\$ 70.0	\$ 73.2
Increase Standard Deduction	\$ 16.3	\$ 16.8	\$ 17.3	\$ 17.9	\$ 18.4	\$ 18.9	\$ 19.5
Increase Personal Exemption	\$ 35.8	\$ 36.8	\$ 38.0	\$ 39.1	\$ 40.3	\$ 41.5	\$ 42.7
Tax Credit for Business Machinery	\$ 30.9	\$ 28.2	\$ 25.0	\$ 25.0	\$ 25.0	\$ 25.0	\$ 25.0
Earned Income Tax Credit	\$ 50.3	\$ 62.4	\$ 64.3	\$ 66.2	\$ 68.2	\$ 70.2	\$ 72.3
Food Sales Tax Rebate	\$ 35.9	\$ 41.2	\$ 42.4	\$ 43.7	\$ 45.0	\$ 46.4	\$ 47.8
Oil Property Tax Credits	\$ -						
Alternative Fuel Credits	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0	\$ 4.0
Education Savings Program	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.8
Agriculture Loan Privilege Tax Credit	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4
Farm Loss Carrybacks	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4	\$ 0.4
Income Tax Subtotal	\$ 232.4	\$ 279.4	\$ 298.7	\$ 318.2	\$ 338.6	\$ 359.9	\$ 373.0
Replace Inheritance Tax with Estate Tax	\$ 89.0	\$ 93.4	\$ 98.1	\$ 103.0	\$ 108.1	\$ 113.6	\$ 119.2
Phasing Out of Estate Tax		\$ 9.0	\$ 20.0	\$ 37.0	\$ 47.0	\$ 52.0	\$ 52.0

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Sales Tax Exemptions for:							
New Construction Services	\$ 25.8	\$ 26.5	\$ 27.2	\$ 27.9	\$ 28.7	\$ 29.5	\$ 30.3
Utilities Consumed during the Production Process	\$ 18.1	\$ 18.6	\$ 19.1	\$ 19.6	\$ 20.1	\$ 20.7	\$ 21.3
Residential Remodeling	\$ 20.2	\$ 20.7	\$ 21.3	\$ 21.9	\$ 22.5	\$ 23.1	\$ 23.7
Major Component Parts Exemption	\$ 2.0	\$ 2.0	\$ 2.1	\$ 2.1	\$ 2.2	\$ 2.3	\$ 2.3
Grain Storage and Transportation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property Consumed in One Year	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.5
Health Clinic Exemptions	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3
Integrated Plant Exemptions	\$ 4.5	\$ 4.7	\$ 4.8	\$ 4.9	\$ 5.0	\$ 5.2	\$ 5.3
Sales Tax on Used Vehicles	\$ 5.4	\$ 5.5	\$ 5.7	\$ 5.9	\$ 6.1	\$ 6.4	\$ 6.6
Repair of Transmission Lines	\$ -	\$ 3.0	\$ 3.4	\$ 3.5	\$ 3.6	\$ 3.8	\$ 3.9
Various Other Exemptions	\$ 26.0	\$ 31.0	\$ 31.6	\$ 22.9	\$ 23.7	\$ 25.6	\$ 27.5
Sales Tax Subtotal	\$ 102.6	\$ 112.7	\$ 115.9	\$ 109.5	\$ 112.9	\$ 117.2	\$ 121.7
Severance Taxes:							
Production Exemptions	\$ 4.6	\$ 4.6	\$ 4.6	\$ 4.6	\$ 4.6	\$ 4.6	\$ 4.6
Depletion Trust Fund			\$ -	\$ 5.4	\$ 7.5	\$ 10.0	\$ 12.0
Insurance Premiums Taxes	\$ 19.6	\$ 15.0	\$ 12.0	\$ 12.0	\$ 12.0	\$ 12.0	\$ 12.0
Privilege Taxes	\$ 11.9	\$ 12.4	\$ 12.9	\$ 13.4	\$ 14.0	\$ 14.5	\$ 15.1
Reductions in Employers'							
Unemployment Contributions	--	--	--	--	--	--	--
Total Tax Reductions	\$ 1,021.4	\$ 1,107.9	\$ 1,164.4	\$ 1,221.6	\$ 1,283.4	\$ 1,343.4	\$ 1,391.4
Cumulative Reductions	\$ 8,692.9	\$ 9,800.8	\$ 10,965.2	\$ 12,186.8	\$ 13,470.2	\$ 14,813.6	\$ 16,205.0

	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
Total w/o Reduction in Employers	\$1,021.4	\$ 1,107.9	\$ 1,164.4	\$ 1,221.6	\$ 1,283.4	\$ 1,343.4	\$ 1,391.4
Unemployment Contributions							
Cumulative Reductions w/o Employers	\$ 8,137.0	\$ 9,244.9	\$ 10,409.3	\$ 11,630.9	\$ 12,914.3	\$ 14,257.7	\$ 15,649.1
Unemployment Contributions	\$ 213.8	\$ 92.6	\$ 85.7	\$ 70.0	\$ 69.5	\$ 69.0	\$ 68.5
Tax Increases							
Sales and Use	\$ 118.0						
Cigarette	\$ 71.5	\$ 71.0	\$ 70.5	\$ 70.0	\$ 69.5	\$ 69.0	\$ 68.5
Corporate Franchise	\$ 24.3	\$ 21.6	\$ 15.2	-	-	-	-
Cumulative Increases	1,157.7	1,250.3	1,336.0	1,406.0	1,475.5	1,544.5	1,613.0
Net Tax Reductions	\$ 807.6	\$ 1,015.3	\$ 1,078.7	\$ 1,151.6	\$ 1,213.9	\$ 1,274.4	\$ 1,322.9
Cumulative Net Tax Reductions	7,535.2	8,550.5	9,629.2	10,780.8	11,994.7	13,269.1	14,592.0