

# FISCAL NOTE

June 12, 2023

<b>Bill No:</b>	HB 1272	<b>Printer's No:</b>	1389	<b>Sponsor:</b>	Sappey
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### COST / (SAVINGS)

Fund (s)	2022-23	2023-24
General Fund	\$0	\$0

**SUMMARY:** This bill amends the Tax Reform Code, in personal income tax, providing for alternative special tax provisions for poverty.

**ANALYSIS:** HB 1272 creates an earned income credit beginning in tax year 2024 at 25 percent of the federal earned income tax credit in lieu of utilizing the special tax provisions for poverty.

**FISCAL IMPACT:** HB 1272 carries a fiscal impact of \$233.5 million in Fiscal Year 2024-25 and \$377.4 million in FY 2025-26, increasing in each out year, in foregone personal income tax (PIT) revenue. Estimates are based on 535,136 additional beneficiaries in tax year 2023.

Cash Flow Reductions						
	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Fiscal Impact	\$0	\$0	\$233.5 million	\$377.4 million	\$391.1 million	\$405.1 million