

# HOUSE RESEARCH

## Bill Summary

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**Version:** As introduced

**Authors:** Brod and others

**Subject:** Income tax rate reduction (bottom rate)

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### Overview

Decreases the first income tax rate from 5.35 percent to 4.85 percent, effective in tax year 2007, and decreases the alternative minimum tax rate from 6.4 percent to 6.2 percent.

#### Section

- 1 Individual income tax rates.** Decreases the first income tax rate by 0.5 percentage points, from 5.35 percent to 4.85 percent, effective in tax year 2007.
- 2 Alternative minimum tax rate.** Decreases the alternative minimum tax (AMT) rate from 6.4 percent to 6.2 percent (this change is intended to avoid shifting taxpayers onto the AMT as a result of the rate decrease proposed in section 0).
- 3 Tentative minimum tax.** Decreases the tentative minimum tax rate from 6.4 percent to 6.2 percent, corresponding to the rate decrease in section 0.
- 4 Alternative minimum tax credit.** Decreases the rate used in calculation of the alternative minimum tax credit from 6.4 percent to 6.2 percent, corresponding to the rate decrease in section 0.