



**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

This bill would conflict with both HB167 and SB167

**OTHER SUBSTANTIVE ISSUES**

Under federal income tax statutes, state income tax payments are deductible for purposes of calculating federal income tax. Thus, because this proposal would reduce state income tax liabilities, it would also reduce these deductions, thereby increasing the taxpayer's federal income tax liability. This reduces the net benefits of the tax reduction for the taxpayer. For example, if a taxpayer is in the 30% tax bracket, the net benefit to the taxpayer of the state tax reduction would be reduced by 30%.

SS/njw