

Tax Law Rate Changes under H.B. 66*

Tax Year	Commercial Activity Tax	Tangible Personal Property (TPP) Tax			Corporation Franchise Tax***	Individual Income Tax
		Inventory	Manufacturing Machinery and Equipment (M&E)	Furniture & Fixtures		
2005	$\frac{7/1-12/31}{.06\%}$ (23% x .26%)	23%**	Existing — 25%**	25%**	100% x tax liability	4.2% cut across all brackets from 2004 rates
2006	$\frac{1/1-3/31}{23\% \times .26\%}$ $\frac{4/1-12/31}{40\% \times .26\%}$	18.75%	New M&E: not taxable Existing — 18.75%	18.75%	80% x tax liability	8.4% cut from 2004 rates
2007	$\frac{1/1-3/31}{40\% \times .26\%}$ $\frac{4/1-12/31}{60\% \times .26\%}$	12.5%	New M&E: not taxable Existing — 12.5%	12.5%	60% x tax liability	12.6% cut from 2004 rates
2008	$\frac{1/1-3/31}{60\% \times .26\%}$ $\frac{4/1-12/31}{80\% \times .26\%}$	6.25%	New M&E: not taxable Existing — 6.25%	6.25%	40% x tax liability	16.8% cut from 2004 rates
2009	$\frac{1/1-3/31}{80\% \times .26\%}$ $\frac{4/1-12/31}{.26\%}$	No Tax	No Tax	No Tax	20% x tax liability	21% cut from 2004 rates
2010	.26%	No Tax	No Tax	No Tax	No Tax	21% cut from 2004 rates

*This chart is not a comprehensive summary of all tax changes. **Same as 2004 rates. ***Certain companies, such as financial institutions, will continue to pay the full net worth tax.