



S.F. No. 2290 – Establishing a fifth income tax tier and rate; increasing the corporate franchise tax rate (as proposed to be amended by the A-2 amendment)

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Section 1. Computation, corporations. Increases the corporate franchise tax rate from 9.8 percent to 12.45 percent. Effective for taxable years beginning after December 31, 2024.

Section 2. Schedules of rates for individuals, estates, and trusts. Establishes a new income tax tier of 12.45 percent for income over \$500,000 for married joint filers and surviving spouses, \$250,000 for single filers, and \$400,000 for head of household filers. Income brackets under current law are updated for tax year 2025. Effective for taxable years beginning after December 31, 2024.

Section 3. Inflation adjustment of brackets. Updates the statutory year for purposes of the inflation adjustment of income tax brackets, which is necessary when the brackets are updated as provided in section 2. Effective for taxable years beginning after December 31, 2024.

