

Tax-reform proposal

MARRIED WITH 2 CHILDREN

Total federal and state taxes

Gross income	\$25,000	\$50,000	\$100,000	\$150,000	\$200,000
CURRENT LAW	\$495	\$3,969	\$12,747	\$25,129	\$36,422
4.9% flat tax	\$448	\$3,656	\$11,974	\$23,972	\$34,986
NET SAVINGS	\$47	\$313	\$773	\$1,157	\$1,436

Highlights of Gov. Olene Walker's tax-reform proposal:

Income tax:

- One flat rate of either 4.1 percent (no deductions) or 4.9 percent (keep charitable, home mortgage and minor children deductions).
- Repeal corporate income tax.

Sales tax:

- Tax most services, from attorney fees and doctor bills to manicures and lawn care.
- Exempt banking and insurance fees.
- Lower state rate from 4.75 percent to 3.75 percent.
- Exempt all sale "inputs" to businesses.

Property tax:

- Allow automatic tax increases due to real property inflation with no truth-in-taxation hearings.
- Adjust property tax for changes in income and corporate taxes.