

Bill Summary
1st Session of the 60th Legislature

Bill No.:	HB 1200
Version:	FS
Request No.:	2089
Author:	Sen. Rader
Date:	05/06/2025

Bill Analysis

HB 1200 establishes new income tax brackets. The measure provides that individual filers shall pay 0% on the first \$4,900.00 of income, 3.75% on the next \$2,300.00 of income, and 4.75% on the remainder. Joint filers shall pay the same rates on \$9,800.00, \$4,600.00, and on any amounts exceeding the previous brackets. No deduction for federal income taxes paid shall be allowed to any taxpayer to arrive at taxable income. The marginal rates shall be decreased by 0.25% if the difference between all tax collections of the state exceeds \$400 million in growth. This decrease shall continue until the rate is reduced to 0% by each increase of \$400 million. If the federal government reduces the federal medical assistance percentage (FMAP) rate for Medicaid expansion below 90% for enrollees, there shall be no reductions made to the income tax rates.

Prepared by: Kalen Taylor