

**Business Incentives in the Tax Code Subcommittee
Issues for Discussion**

Tax Credits and Other Incentives

- Better measure revenue impact of tax credits
- Consolidate tax credits
- Improve transparency of tax incentives
- Require cost/benefit analysis of tax incentives
Which tax expenditures should be included?
- Repeal unused or ineffective incentives
Via automatic sunset (threshold for number of taxpayers or dollars)?

Apportionment Factors

- Apply single sales factor to all corporations

Sales Tax

- Expand sales tax base to select services
- Streamlined sales tax / remote sales

Income Taxes

- Credit for taxes paid to other states for pass-through-entities
- Graduated corporate income tax rate

June 3, 2010