

Summary of LAO Revenue-Increasing Proposals— As Revised in May

(In Millions)

	Revenue Gain	
	2008-09	2009-10
Proposals Unique to Personal Income Tax		
Reduce dependent credit	\$1,330	\$1,070
Eliminate senior credit	125	130
Eliminate partial exclusion of capital gains on small business stock	55	55
Subtotals	(\$1,510)	(\$1,255)
Proposals Applying to Both Personal Income and Corporation Tax		
Limit the research and development credit	\$335	\$290
Limit two-year suspension of net operating loss deductions	330 994	410 811
Phase out enterprise zone programs	100	120
Eliminate exclusion for "like-kind" out-of-state property exchanges	25	50
Subtotals	(\$790) (\$1,429)	(\$870) (\$1,221)
Unique Sales and Use Tax Proposals		
Eliminate exemptions for industry-specific equipment	\$143	\$146
Eliminate certain diesel fuel exemptions	73	75
Eliminate exemption for leasing of films and tapes	65	70
Eliminate exemption for custom computer programs	53	48
Adopt one-year standard regarding use tax on out-of-state purchases	16	21
Subtotals	(\$350)	(\$360)
Totals	\$2,655 \$3,289	\$2,485 \$2,836