

**HB 2940-S - DIGEST**

(DIGEST OF PROPOSED 1ST SUBSTITUTE)

Establishes the small business tax fairness act.

Finds that the state's small businesses are taxed at the same rate as high profit corporations without benefiting from the special tax preferences that many large corporations enjoy.

Declares an intent to: (1) Make the state's business tax system more fair for small businesses by reforming the current business and occupation tax or eventually implementing a new, more equitable business activities tax; and

(2) Take the necessary steps to evaluate the continuing need for business and occupation tax preferences.

Creates a taskforce on business and occupation tax fairness to: (1) Review existing business and occupation tax preferences to determine if any are no longer needed as a result of the enactment of this act;

(2) Make decisions by a simple majority of the task force; and

(3) Provide a report to the appropriate legislative fiscal committees.