

Taxation

S.B. 26

Primary Sponsor: Sen. Kunze

Effective date: February 5, 2020; sales and use tax exemptions apply beginning April 1, 2020

Income tax

- Allows teachers to claim an income tax deduction of up to \$250 for amounts paid out-of-pocket for professional development and classroom supplies, beginning in 2020.
- Repeals a provision that makes income earned from the practice of law or from lobbying ineligible for the business income deduction and 3% flat tax rate.
- Requires all taxpayers claiming the business income deduction to indicate on their tax returns the North American Industry Classification System (NAICS) codes associated with each source of their business income.
- Delays the repeal of the income tax credit for contributions to campaigns for state offices until taxable years beginning in or after 2020.
- Delays the repeal of the income tax credit for a pass-through entity investor's share of the entity's financial institutions tax (FIT) until taxable years beginning in or after 2020.

Sales and use tax

- Beginning April 1, 2020, exempts from sales and use tax the sale of feminine hygiene products associated with menstruation.
- Beginning April 1, 2020, exempts from sales and use tax the sale of prescription diapers or incontinence pads covered by Medicaid.

Public Office Compensation Advisory Commission

- Abolishes the Public Office Compensation Advisory Commission.

Food Farmacy pilot

- Expands eligibility for the Medicaid "Food Farmacy" pilot project by specifying that food-insecure patients must have some form of chronic disease, not just type 2 diabetes.