**Thoughts on Tax Reform Based on Expert Recommendations**

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| **Positive Impact** | **Negative Impact** | **LWVNM Position** |
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| Eliminate/limit GRT tax expenditures based on basic tax principles. Goals are to broaden the tax base & improve tax fairness. Consider phased approach. | Outcry from negatively  affected taxpayers | Equitable, |
| Eliminate direct business tax pyramiding to make GRT more equitable and competitive for business. Consider phased approach. | Loss of GRT tax revenues | Equitable |
| Reduce GRT rate to make the tax system revenue neutral after broadening the tax base. Consider phased approach. | None | Adequate |
| Implement dynamic evaluation capability to evaluate efficiency and effectiveness of tax expenditures. | Cost about $400k non-recurring plus $100k recurring thereafter. Some may not want to know/accept evaluation outcomes. | Evaluation |
| Reform PIT tax brackets to improve progressivity. Retain 5.9% top bracket to protect small business and limit non-competitiveness. | Resistance from those who want to increase top tax tier on wealthy. | Equitable, Adequate, Tax progressivity |
| Increase fuel taxes to support infrastructure and economic development needs. Add inflation adjustment. | Tiny impact (about $30/year/car for gas) | Adequate |
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