SUMMARY OF NO. 26-02

The proposed law would, over a period of three years, lower the tax rate on personal taxable income consisting of (1) interest and dividends, (2) wages and salaries, and (3) most long-term capital gains other than long-term capital gains from the sale or exchange of collectibles. The tax rate for these categories of personal taxable income was 5.00% for tax year 2026. The proposed law would lower that tax rate to 4.67% for tax year 2029, 4.33% for tax year 2030, and 4.00% beginning in tax year 2031.

The proposed law states that, if any of its parts were declared invalid, the other parts would stay in effect.