

New Formula for Income Tax in State Urged

SACRAMENTO (AP) — A consultant suggested to an Assembly committee Wednesday that the state adopt a new method of determining annual income taxes.

Where now the state independently sets its own rates, the consultant suggested it begin levying a percentage of the federal tax for previous year.

The proposal came in a report to the Assembly Revenue Taxation Committee by Dr. Corrine Gilb of Berkeley, research associate in the University of California center for the study of law and society.

It's identical to a plan rejected by last year's Legislature.

The plan would not simply set the state tax as a flat percentage of the federal levy for the year before.

Rates To Vary

Rates would vary according to the amount of the federal tax with those in higher brackets paying a higher percentage. Thus if you paid \$20,000 in federal taxes the previous year, you would pay a larger tax than someone who paid only \$500.

The Legislature could revise the rates to meet changing state needs.

Dr. Gilb said the plan would simplify tax collecting, cut administration costs and make it easier for taxpayers to figure taxes.

*Corinne -
Greetings and
congratulations!
James*