

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2524-01
BILL NO.: SB 651
SUBJECT: Motor Vehicles; Taxation and Revenue-General-Sales and Use
TYPE: Original
DATE: January 13, 2000

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2001 | FY 2002 | FY 2003 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> State Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2001 | FY 2002 | FY 2003 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2001 | FY 2002 | FY 2003 |
| Local Government | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses
This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Revenue (DOR)** state this proposal specifies that an article used or traded in conjunction with a sales tax transaction must have had the tax paid or be exempt from tax. DOR staff state this proposal supports the department's current position regarding trade-in tax credits and provides a legal basis for legal proceedings before the Administrative Hearing Commission and would not fiscally impact their agency.

The **Office of Administration** officials did not respond to our fiscal impact request.

Oversight, for purposes of this fiscal note, assumes the fiscal impact of this proposal would be zero.

| | | | |
|---|---------------------|---------|---------|
| <u>FISCAL IMPACT - State Government</u> | FY 2001 (10 Mo.) | FY 2002 | FY 2003 |
| | 0 | 0 | 0 |
| <u>FISCAL IMPACT - Local Government</u> | FY 2001 (10 Mo.) | FY 2002 | FY 2003 |
| | 0 | 0 | 0 |

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

Under current law, if property is traded in on a purchase, purchasers pay sales or use tax only on the excess, if any, of the purchase price of the new item less any trade-in allowance and any applicable rebates. This act authorizes the reduction in the purchase price of an article if the trade-in has been subject to the imposition of sales or use tax or has been exempted or excluded from such tax.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCE OF INFORMATION

Department of Revenue

NOT RESPONDING: Office of Administration - Budget and Planning

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with a large initial "J".

Jeanne Jarrett, CPA
Director
January 13, 2000