

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4482-01
BILL NO.: SB 1014
SUBJECT: Revenue Dept.; Taxation and Revenue-General-Sales and Use
TYPE: Original
DATE: March 3, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(unknown)	(unknown)	(unknown)
School District Trust	(unknown)	(unknown)	(unknown)
Conservation	(unknown)	(unknown)	(unknown)
Parks and Soil	(unknown)	(unknown)	(unknown)
Total Estimated Net Effect on <u>All State Funds</u>	(\$100,000) to (\$200,000)	(\$100,000) to (\$200,000)	(\$100,000) to (\$200,000)

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	(unknown)	(unknown)	(unknown)

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 legislation would exempt from sales and use tax the sale of coke, coke breeze and reagents, which are ingredients of steel or lead products. DOR staff state this proposal would not fiscally impact their agency.

DOR staff state the revenue impact of this proposal would be a loss of total state revenue in a range of \$ 100,000 to \$200,000 annually.

Officials of the **Office of Administration** state they have not been able to find any empirical basis to estimate the fiscal impact of this proposal.

This proposal would result in a decrease in Total State Revenues.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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Loss to State Funds:

General Revenue Fund	(unknown)	(unknown)	(unknown)
School District Trust Fund	(unknown)	(unknown)	(unknown)
Conservation Sales Tax Fund	(unknown)	(unknown)	(unknown)
Parks and Soil Sales Tax Fund	(unknown)	(unknown)	(unknown)

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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<u>Loss to Political Subdivisions</u>	(unknown)	(unknown)	(unknown)
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FISCAL IMPACT - Small Business

Small businesses would be expected to be fiscally impacted to the extent that they pay state and local sales tax on taxable items. Small businesses that purchase coke, coke breeze and other reagents covered in this proposal would be able to do so for less.

DESCRIPTION

This proposal exempts coke, coke breeze, and reagents from sales and use taxation when the materials are consumed in the manufacturing process and become component parts or ingredients

L.R. NO. 4482-01
BILL NO. SB 1014
PAGE 3 OF 3
March 3, 2000

DESCRIPTION (continued)

of steel or lead products.

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

SOURCES OF INFORMATION

Department of Revenue
Office of Administration
Budget and Planning



Jeanne Jarrett, CPA
Director
March 3, 2000