

COMMITTEE ON LEGISLATIVE RESEARCH
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0812-01
Bill No.: SB 195
Subject: Revenue Dept.; Taxation and Revenue-Sales
Type: Original
Date: January 24, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	\$22,000,000	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$22,000,000	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

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

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue (DOR)** assume this legislation could result in a decrease in sales tax refunds for FY 02 of approximately \$22 million. In a similar proposal, DOR assumed there would be minimal programming changes that could be completed with existing resources.

Officials from the **Office of Administration, Budget and Planning (BAP)** state DOR is better suited to respond to this proposal since this bill is more of an internal change in the way refunds are handled by DOR.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
GENERAL REVENUE FUND			
<u>Revenue - General Revenue Fund</u>			
Reduction in sales tax refunds	\$22,000,000	\$0	\$0
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$22,000,000</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2002 (10 Mo.)	 FY 2003	 FY 2004
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

This legislation will affect all businesses that collect sales tax.

DESCRIPTION

This act prohibits retailers from obtaining refunds for sales taxes without crediting the original purchasers.

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

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Department of Revenue
Office of Administration
Division of 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 24, 2001