

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 90** HLS 19RS 273
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 17, 2019 4:22 PM	Author: MOSS
Dept./Agy.: REVENUE	Analyst: Benjamin Vincent
Subject: Sales Tax Exemption: Vehicles for Orthopedic Modification	

TAX/TAX REBATES EG -\$60,000 GF RV See Note Page 1 of 1

Establishes a state sales tax rebate for purchases of motor vehicles with certain modifications related to orthopedic disabilities

Present law provides that adaptive driving equipment and motor vehicle modifications prescribed for personal use by a physician, chiropractor, or driver rehabilitation specialist are fully exempt from state sales and use tax.

Proposed law additionally authorizes a rebate on state sales and use tax paid for the purchase of a motor vehicle that has been modified for use by a person with such an orthopedic disability. Proposed law provides various conditions for eligibility and that the rebate claims shall be made pursuant to administrative rules issued by the Department of Revenue, in cooperation with the Department of Health. Proposed law is designated "The Angela Downs Act".

Effective July 1, 2019.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0
REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	(\$60,000)	(\$60,000)	(\$60,000)	(\$60,000)	(\$60,000)	(\$300,000)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	(\$60,000)	(\$60,000)	(\$60,000)	(\$60,000)	(\$60,000)	(\$300,000)

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

Proposed law authorizes a rebate on state sales tax paid for the entire purchase price of a motor vehicle modified for use by a person with an orthopedic disability.

This rebate was temporarily in effect as recently as FY13. The sales tax data reported for the rebate at that time implies a potential revenue loss of approximately \$60,000 due to proposed law. The revenue loss is depicted above as entirely state general fund, but small amounts of loss (approximately 1% of the total) will occur to the Tourism Promotion District allocation and economic development dedications as well.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Gregory V. Albrecht
Chief Economist