

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 620** HLS 26RS 1223

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 23, 2026	5:36 PM	Author: CARLSON
Dept./Agy.: Revenue		Analyst: Mimi Blanchard
Subject: Centralized Tax Collections		

TAX/SALES & USE OR SEE FISC NOTE GF RV Page 1 of 1
 (Constitutional Amendment) Authorizes the legislature to provide by law for the collection of all sales and use taxes imposed by any taxing authority in the state
Current Constitution authorizes the governing authority of any local governmental subdivision or school board to levy and collect sales and use taxes.

Proposed Constitution retains the authority of local governmental subdivisions and school boards to levy sales and use taxes but removes constitutional language referencing the collection of those taxes by such entities. Proposed law instead authorizes the legislature to provide by law for the centralized collection of all sales and use taxes levied by all taxing authorities in the state. In the absence of legislation providing for centralized collection, sales and use tax collection shall continue as otherwise provided in the constitution.

Effective January 1, 2027, upon voter approval on November 3, 2026.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW					
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						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	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

EXPENDITURE EXPLANATION

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

The Secretary of State may incur minimal ballot processing costs associated with this measure. As a regular practice, the Secretary of State typically budgets for up to 10 constitutional amendments and statewide propositions for the fall statewide elections. To the extent the ballot includes more than 10 constitutional amendments and statewide propositions, the Secretary of State may require additional SGF resources for the November 3, 2026, statewide election. Any expenditure impact would be realized in FY 27.

Should proposed constitution pass and a centralized sales and use tax collection system be subsequently established by law, the entity designated as the central collector may incur expenditures associated with administering and operation of such system, although not quantifiable at this time.

REVENUE EXPLANATION

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

Proposed Constitution does not change existing sales and use tax rates, the taxable base, or the distribution of tax revenues among state and local taxing authorities. However, the proposed constitution authorizes the establishment of a centralized sales and use tax collection system for state and local taxing authorities. To the extent that such a system is implemented and funded through administrative fees or similar mechanisms, state and local taxing authorities may experience reductions in net tax collections associated with the costs of administering the centralized collection system. Any such fiscal effects would depend on subsequent statutory provisions and implementation decisions and cannot be determined at this time.

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}

Alan M. Boxberger
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Legislative Fiscal Officer