

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 21** SLS 161ES 92

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | |
|--|--------------------------------|
| Date: February 28, 2016 11:45 AM | Author: MORRELL |
| Dept./Agy.: Revenue | Analyst: Deborah Vivien |
| Subject: Subjects collectors coins and bullion to sales tax | |

TAX EXEMPTIONS EG INCREASE GF RV See Note Page 1 of 1
Includes numismatic coins and bullion in the definition of tangible personal property subject to sales and use tax. (Item #36) (gov sig)

Current law exempts from state and local sales tax certain coins and bullion.

Proposed law removes the exemptions and subjects certain coins and bullion to state and local sales tax. Effective for taxable periods beginning on or after April 1, 2016.

| EXPENDITURES | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 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 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | INCREASE | INCREASE | INCREASE | INCREASE | INCREASE | |
| 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 | INCREASE | INCREASE | INCREASE | INCREASE | INCREASE | |
| Annual Total | | | | | | |

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

The value of the exemption for certain coins and bullion is reported in the "Other" category on the sales tax form and in the Tax Exemption Budget. To the extent that affected transactions occur, state general fund and local revenue will increase. The magnitude of the increase is not readily determinable, but the bill can only result in an increase in revenue collections.

Since these items were not previously taxed, any increase may be phased in slowly as compliance improves. The first FY 16 collections affected by this bill, if any, will be due May 20.

Senate Dual Referral Rules House

- | | |
|---|--|
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

Gregory V. Albrecht
Chief Economist