

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 591** HLS 19RS 1012

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 22, 2019 7:22 PM	Author: GUINN
Dept./Agy.: Office of Motor Vehicles	Analyst: Greg Albrecht
Subject: Dedicate Sales Tax on Vehicles to the TTF	

FUNDS/FUNDING OR -\$456,000,000 GF RV See Note Page 1 of 1
 Dedicates the avails of state sales and use taxes on purchases of motor vehicles to the Construction Subfund in the Transportation Trust Fund

Present law imposes a 4.45% state level sales and use tax on motor vehicle purchases in five separate levies. A small amount of the proceeds are dedicated to economic development purposes and the Tourism Promotion District. The large majority support the state general fund.

Proposed law dedicates the avails of 4.42% of the state level tax (all levies other than the levy for the Tourism Promotion District) to the Construction Subfund in the Transportation Trust Fund.

Effective upon governor's signature.

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.	(\$456,000,000)	(\$463,000,000)	(\$490,000,000)	(\$504,000,000)	(\$525,000,000)	(\$2,438,000,000)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$456,000,000	\$463,000,000	\$490,000,000	\$504,000,000	\$525,000,000	\$2,438,000,000
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.

REVENUE EXPLANATION

Over the FY20 - FY23 period, the REC adopted forecasts for vehicle sales tax range from \$459.2 million in FY20 to \$510.8 million by FY23 (the last year of an adopted figure). This bill would dedicate 99.3% (4.42 of 4.45) of those proceeds to the TTF, resulting in a matching loss to the state general fund and economic development dedications. Approximately \$1.5 million per year would be lost to economic development dedications, but this effect is contained within the general fund line of the table above to show illustrate the gain to the TTF.

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}

John D. Carpenter
Legislative Fiscal Officer