Current law authorizes the Department of Revenue to certify and issue a Direct Payment (DP) Number, which allows certain eligible taxpayers to make purchases without paying state and local sales and use tax but remit the amount due directly to the appropriate sales tax collector. Eligibility requirements are $5M in annual taxable purchases by manufacturers, private nonprofits and certain medical subsidiaries ($10M in taxable purchases) or by LED contract. A local tax collector has the authority to approve the issuance of the DP Number for local sales tax collections after an LDR request, normally prompted by an entity’s request for a state DP Number. Proposed law retains current law and authorizes the state to issue a DP Number for collection of local sales tax for manufacturers or non-profits if a local collector does not respond to a DP Number request within 60 days. The local collector maintains the ability to approve or deny a DP number for local sales tax. This bill is only allows for automatic approval if a local collector does not respond to a DP number request within 60 days.

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

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