

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 144** SLS 13RS 481

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | |
|---|--------------------------------|
| Date: May 29, 2013 7:41 AM | Author: MORRELL |
| Dept./Agy.: Revenue/Economic Development | Analyst: Deborah Vivien |
| Subject: Automatic renewal of certain exemption certificates | |

TAX EXEMPTIONS EN SEE FISC NOTE GF RV See Note Page 1 of 1
Provides for renewal of certain tax exemptions once granted. (1/1/14)

Current law provides certain provisions for the renewal of tax exemptions, which may include a reapplication procedure in which the entity is once again deemed eligible for the exemption through a vetting process.

Proposed law allows certain sales tax exemption certificates to be automatically renewed for up to three years if the applicant maintains eligibility and is current in required tax payment filings. The certificates include Direct Pay Numbers, Sale for Resale, and Purchases of Manufacturing Machinery and Equipment. The Department of Revenue will promulgate rules.

Effective January 1, 2014.

| EXPENDITURES | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 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 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 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. Any initiation costs the Department may incur will be absorbed in the current budget.

REVENUE EXPLANATION

This bill allows those taxpayers requiring certificates of eligibility for direct pay numbers, sale for resale or manufacturing machinery and equipment to automatically renew the certificates for periods up to three years. Since the bill does not change the exemption in any manner, there is no anticipated direct material effect on governmental revenues as a result of this measure. The Department of Revenue considers this bill very similar to current practice.

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|---|--|--------------|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {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} | |

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