

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 19** SLS 161ES 86

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: February 28, 2016 11:44 AM	Author: MORRELL
Dept./Agy.: Revenue	Analyst: Deborah Vivien
Subject: Subjects antique aircraft to state sales tax	

TAX EXEMPTIONS EG INCREASE GF RV See Note Page 1 of 1
Provides relative to the sales and use tax exemption for antique airplanes held by private collectors and not used for commercial purposes. (Item #36)(gov sig)

Current law exempts from state and local sales tax antique airplanes maintained by private collectors and not used for commercial purposes.

Proposed law removes the exemption from state sales tax for antique airplanes maintained by private collectors and not used for commercial purposes. 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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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 (if any) is reported in the "Other" category on the sales tax form and in the Tax Exemption Budget. To the extent that impacted transactions occur, state general fund and local revenue will increase. The magnitude of any such transactions is not readily determinable, but seems likely to be small given the nature of the transactions involved. It is possible that in any given year no qualifying transactions occur, 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.

- | | | |
|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------|
| <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)(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