

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 125** HLS 161ES 415

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: February 28, 2016 5:27 PM	Author: THIBAUT
Dept./Agy.: Revenue	Analyst: Greg Albrecht
Subject: Food and Drug Exemption	

TAX/SALES & USE

EG SEE FISC NOTE GF RV See Note

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Repeals the state sales and use tax exemption for food for home consumption and prescription drugs (Item #36)

Repeals the statutory exemptions for food for home consumption and prescription drugs.

Contingent upon adoption of the Constitutional amendment in HB 81 of this session which repeals the prohibition of state sales taxation of food for home consumption, residential utilities, and prescription drugs.

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>	\$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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

Assuming adoption of the Constitutional amendment contained in HB 81, this bill would add some \$728 million to state sales tax receipts over a full year at a 4% statewide tax rate. This is comprised of \$428 million associated with food and \$300 million associated with prescription drugs. Roughly half those amounts would occur in FY17, with full year amounts in FY18 and beyond.

Senate Dual Referral Rules House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

John D. Carpenter
Legislative Fiscal Officer