

**EXECUTIVE AGENCY
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: April 1, 2017

Agency Submitting: Department of Taxation

Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Effect on Future Biennia
Information Technology (Expense)		\$13,301		
Total	0	\$13,301	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

Please see attached

Name Deonne Contine

Title Executive Director

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Wednesday, March 29, 2017

The agency's response appears reasonable.

Name Paul Nicks

Title Executive Budget Officer

DESCRIPTION OF FISCAL EFFECT

BDR/Bill/Amendment Number: 32-325Name of Agency: Department of Taxation

Division/Department: _____

Date: March 28, 2017

BDR 32-325 provides for the submission to the voters in 2018 whether certain durable medical equipment, oxygen delivery equipment and mobility enhancing equipment should be exempted from the 2% Sales Tax effective January 1, 2019. This bill also provides that certain durable medical equipment, oxygen delivery equipment and mobility enhancing equipment be exempt from the Local School Support Tax and analogous taxes effective October 1, 2017.

Revenue:

The impact on revenue cannot be determined.

Expense:

The bill provides for an exemption for all but the 2% Sales Tax effective October 1, 2017. The Department would be required to make programing changes to allow for taxpayers to remit tax at the reduced rate until, if voted yes, the 2% Sales Tax is exempted on January 1, 2019.

Additionally, the Department is currently a full member of Streamlined Sales Tax. To keep our full membership, the Department and State must comply with certain requirements. One of these requirements is that the State and Local sales tax rates must treat the taxation of items equitably. Should this bill pass, durable medical equipment would be exempt from the local tax rates effective 10/01/2017, but not the State rate. This would cause the State to be out of compliance with the Streamlined Sales Tax Governing Board and may require action from the Department.

FY 2018: \$13,301

FY 2019: \$0

Future Biennia: \$0