FISCAL NOTE

HB 1250 - SB 1686

March 18, 1997

SUMMARY OF BILL: Imposes state sales tax of 3% on the retail sale of manufactured homes, whether such homes are installed on land or not. Current law imposes 6% state sales tax on 50% of the value of the manufactured home. Also provides that parts, accessories and labor will be treated as part of the single article for purposes of the sales tax and exempts from the use tax the cost, to the dealer, of tangible personal property installed by a dealer. Current law provides that tangible personal property installed by a dealer is taxable to the dealer.

ESTIMATED FISCAL IMPACT:

Net Impact - State Revenues - Minimal
Net Impact - Local Govt. Revenues - Minimal

Assumes a decrease in state and local government sales tax revenues, since dealers would no longer pay use tax on items installed in manufactured homes. Such decrease would be offset by the increase in sales tax revenues, since parts, accessories and labor in such manufactured homes would be taxed.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

James A. Davenport, Executive Director