

FISCAL NOTE

HB 1475 - SB 1868

March 31, 1999

SUMMARY OF BILL: Amends TCA 67-6-206 relative to exemptions for industrial machinery and raw materials. The bill would decrease the state sales and use tax rate from 6% to 1% on equipment and tangible personal property purchased to be installed as an interstate natural gas pipeline.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$2,650,000

Based on information provided by the Department of Revenue, natural gas companies paid approximately \$3,200,000 in state sales tax revenue in FY 1997-98. Estimate assumes a decrease in the state tax rate of approximately 83%.

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