FISCAL NOTE

SB 1558 - HB 882

March 28, 2001

SUMMARY OF BILL: Imposes a state sales tax on certain services at the rate of 2% effective, July 1, 2001.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - Exceeds $830,000,000

Increase State Expenditures - Exceeds $3,000,000 Recurring
Exceeds $2,000,000 One-Time

Estimate assumes the following:

- an increase in state revenues that exceeds $830,000,000 resulting from a 2% sales tax imposed on services as specified in the bill. Estimate is based on sales tax exemption data contained in the FY 2001-02 proposed budget.
- local governments would not be permitted to tax services that are covered by the bill.
- an increase in state expenditures, that exceeds $3,000,000 on a recurring basis and exceeds $2,000,000 one-time in the Department of Revenue to implement the provisions of the bill.

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