

FISCAL NOTE

SB 2031 - HB 2359

February 7, 2002

SUMMARY OF BILL: Amends TCA 67-6-103(a)(1) by reducing the amount of sales tax allocated to the general fund from 29.0246% to 24.4321%. Adds a new subdivision that appropriates the difference of 4.5925% to the counties and would be distributed to each county based on the proportion of the population of each county bears to the total population of all counties. The bill would take effect July 1, 2002.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - \$186,619,700

Increase Local Govt. Revenues - \$186,619,700

Other Fiscal Impact - The bill would not affect total sales tax collections, it would decrease the amount of unallocated revenue placed in the general fund and would increase the amount of revenue allocated to counties.

Estimate assumes a sales tax collections base for FY 02-03 of \$4,514,206,000; of which, \$4,063,575,386 (90.0175%) would be subject to the 4.5925% allocation to counties under provisions of the bill. The 4.5925% allocation is estimated to be \$186,619,700.

CERTIFICATION:

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

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James A. Davenport

James A. Davenport, Executive Director

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