

FISCAL NOTE

SB 1121 - HB 1156

March 10, 2005

SUMMARY OF BILL: Adds flat-bed trailers used for over-the-road transportation in the nursery business or cattle business to the definition of farm equipment and machinery. Authorizes state and local sales tax exemptions on flat-bed trailers used for these purposes.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - \$105,000

Decrease Local Govt. Revenues - \$34,000

Assumptions:

- Department of Agriculture estimates approximately 50,000 cattle farms and 352 nurseries in the state.
- 1% purchase flat-bed trailers each year.
- Average price is \$3,000.
- Tax base would be approximately \$1.52 million per year (504 businesses X \$3,000 price = \$1.52 million).
- 7% state sales tax rate.
- 2.25% local option sales tax rate.
- Decrease in state revenues would be approximately \$105,000 (\$1.52 million tax base X 7% state rate = \$106,400).
- Decrease in local government revenue would be approximately \$34,000 (\$1.52 million tax base X 2.25% local option rate = \$34,200).

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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A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director