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TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 695 - SB 1455

March 9, 2019

SUMMARY OF BILL: Exempts from state and local sales and use tax any sales of public safety and public works-related goods made directly to a nonprofit property owner association that has received a determination of exemption from the internal revenue service under the Internal Revenue Code § 501(c)(4). Requires such exempt association to also hold a certification of exemption issued by the Department of Revenue (DOR). Stipulates that such sales of public safety or public works-related goods made to an independent contractor associated with any such exempt association is not eligible for such exemption.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Recurring decreases in state and local sales and use tax revenue; the extent of which is dependent upon several unknown factors and cannot be reasonably determined.

Assumptions:

- Public safety or public works-related goods are not defined in this legislation; therefore, the specific goods that are being exempted by this legislation are unknown.
- In addition, the number of applicable nonprofit property owner associations which will be qualified for the exemption created by this legislation, the number that will pursue an exemption certificate issued by DOR, the extent of exemption certificates that will be issued by DOR, and the extent of exempt-eligible purchases, are unknown.
- Due to the aforementioned unknown factors, the extent of any recurring decrease in state and local sales and use tax revenue cannot be determined with reasonable certainty.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner".

Krista Lee Carsner, Executive Director

/jdb