

FISCAL NOTE

The fiscal impact on the timing of sales and use tax revenues is indeterminable.

The fiscal impact on sales and use tax revenue from projects qualifying for amortization is indeterminable, as the Department of Revenue (Department) has no way to know the following:

- the number or magnitude of projects that may apply for amortization,
- the number or magnitude of projects that may fit the required criteria,
- the location of the potential projects, or
- the amount of tax that may be amortized.

Under this bill, the Department of Revenue would need to establish a liability in Department's excise tax system to create the amortization schedule and payments. This will either be done by the Department as an estimated tax due or by the contractor filing a return to determine the liability and amortization. The Department assumes the contractor will make monthly payments towards the sales and use tax liability during the amortization period.

The collection of amortized sales and use tax contemplated in the bill would have an indeterminable fiscal impact on specific purpose option taxes, as payments related to a specific purpose option tax could be amortized and paid after the specific purpose option tax is fully collected and discontinued.

For projects qualifying for the proposed amortization that qualify for impact assistance funding, the amortized payment of the sales and use tax will not be on the same schedule as the impact assistance funding payments to local governments. This would have an indeterminable fiscal impact on the cashflow for the General Fund.