

**FISCAL NOTE**  
 Requested by Legislative Council  
 01/26/2011

Bill/Resolution No.: SB 2333

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			(\$34,960,000)	(\$3,040,000)		
Expenditures						
Appropriations			\$9,500,000			

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			\$0	\$0				

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

SB 2333 creates a sales and use tax exemption for clothing.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

If enacted, SB 2333 is expected to reduce state general fund and state aid distribution fund revenues by an estimated \$38 million in the 2011-13 biennium.

Cities and counties that impose local sales taxes would also be required to eliminate the sales tax on clothing. This is expected to reduce local sales tax revenue by an estimated \$9.5 million in the 2011-13 biennium. Section 2 of SB 2333 appropriates \$9.5 million from the state general fund to be allocated among these cities and counties; therefore, the net impact for cities and counties is estimated to be zero.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

Section 2 of SB 2333 appropriates \$9.5 million from the state general fund to the tax commissioner for allocation to

cities and counties.

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