

FISCAL NOTE

Requested by Legislative Council
03/30/2011

Amendment to: Engrossed
HB 1424

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	(\$25,300)	(\$2,200)	(\$1,844,600)	(\$160,400)		
Expenditures						
Appropriations						

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
				\$217,400				

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).*

Engrossed HB 1424 with Senate Amendments creates a sales and use tax exemption for agrichemical tank cleaners and foam markers, expands the retail compensation allowance, and declares an emergency.

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 as an emergency measure, Eng. HB 1424 with Senate Amendments is expected to reduce state general fund and state aid distribution fund revenues by an estimated \$27,500 in the current 2009-11 biennium, and \$55,000 in the 2011-13 biennium, relative to the sales tax exemption for tank cleaners and foam markers.

Additionally, the bill expands compensation for retailers which is expected to reduce state general fund and state aid distribution fund revenues by approximately \$1.95 million during the final 18 months of the 2011-13 biennium. This provision is also expected to increase city sales tax revenues by an estimated \$217,400 by reducing the overall level of local compensation to retailers.

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.*

Name:	Kathryn L. Strombeck	Agency:	Office of Tax Commissioner
Phone Number:	328-3402	Date Prepared:	03/30/2011