

**FISCAL NOTE**  
**HOUSE BILL NO. 1428**  
**LC# 25.1129.01000**  
**03/06/2025**  
**Revised - 03/05/2025**

**1 - 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.*

	2023-2025 Biennium		2025-2027 Biennium		2027-2029 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$(593,125)	\$(56,875)	\$(616,850)	\$(59,150)
Expenditures						
Appropriations						

**2 - County, City, School District, and Township Fiscal Effect**

*Identify the fiscal effect on the appropriate political subdivision.*

	2023-2025 Biennium	2025-2027 Biennium	2027-2029 Biennium
Counties		\$(63,000)	\$(65,520)
Cities		\$(237,000)	\$(246,480)
School Districts			
Townships			

**3 - Bill and Fiscal Impact Summary**

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

HB 1428 creates a sale tax exemption for used clothing sold by a thrift store of a nonprofit corporation.

**4 - Fiscal Impact Sections Detail**

*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.*

Section 1 of HB 1428 would create a sales tax exemption for used clothing sold by a thrift store of a nonprofit corporation.

## 5 - Revenues Detail

*For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

If enacted, section 1 of HB 1428 creates a sales tax exemption for used clothing sold by a thrift store of a nonprofit corporation. This will cause a decrease in the state general fund and the state and county aid funds. The total state tax reported by nonprofit corporation thrift stores is \$1.3 million per biennium. Under the assumption sales of used clothing comprises 50% of all sales by thrift stores, the estimated state revenue reduction would be \$650,000 for the 2025-2027 biennium. The local sales tax revenue for cities and counties would decrease by \$300,000.

The 2027-2029 biennium fiscal effect and city and county fiscal effects are calculated with an assumed 4% increase in sales tax revenue.

## 6 - Expenditures Detail

*For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

## 7 - Appropriations Detail

*For information shown under state fiscal effect in 1 or 2, please 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

## Contact Information

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