

(prepare in triplicate)

FISCAL NOTE

prepared in regard to:

SENATE BILL NO. 2120

(List bill or resolution and number, if available, or subject)

Amendment to: _____

(List bill or resolution and number)

Requested by: Legislative Council Date of receipt: January 4, 19 73

In the following space note the fiscal effect in dollars of the legislative proposal. If additional space is needed, attach a supplementary sheet. (Please type)

Senate Bill No. 2120, as drafted, would exempt both groceries and restaurant meals from the sales and use tax. The grocery exemption would reduce state general fund revenue by an estimated \$5,000,000 per year. The restaurant meal exemption would reduce state general fund revenues by an estimated \$2,500,000 per year.

Since there is a one-quarter lag between sales and collections, only 7 quarters of collections in the 1973-1975 biennium would be affected.

Therefore, Senate Bill No. 2120 as drafted, would reduce general fund revenues in the 1973-1975 biennium by an estimated \$8,750,000 for the grocery exemption and would be further reduced by \$4,375,000 for the restaurant meal exemption. This estimate does not include the revenue effect of the present exemption of meat and dairy products.

Date of preparation: January 9, 1973

Signed Robert L. King

Typed Name- ROBERT L. KING

Department TAX