

(Return in triplicate)

FISCAL NOTE

Bill/Resolution No.: HB 1674 Amendment to: _____

Requested by: Legislative Council Date of Receipt: 4-07-89

Please estimate the fiscal impact of the above measure for:

State general or special funds Counties Cities

In the following space note the fiscal effect in dollars of this measure:

Narrative:

Section 1 of HB 1674 is expected to increase State General Fund revenue and decrease State Aid Distribution Fund revenue by approximately -\$900,000 as shown below. This was computed using a 6% tax rate effective May 1, 1989.

The fiscal impact of Sections 2, 3, and 4 of HB 1674 are not included in this fiscal note. These sections suspend the temporary 1/2% sales tax effective May 1, 1989 to coincide with the effective date of SB 2458, which raises the rate to 6%. The fiscal note on SB 2458 was computed with the assumption that the sales tax rate would increase only 1/2% of 1% for the months of May and June, 1989. Therefore, there is no need to consider the negative fiscal impact of the suspension here.

State Fiscal Effect:

<u>1989-90</u>		<u>1990-91</u>		<u>Biennium Total</u>	
<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>	<u>General Fund</u>	<u>Special Funds</u>
approx. +\$438,000	approx. -\$438,000	approx. +\$462,000	approx. -\$462,000	approx. +\$900,000	approx. -\$900,000

County and City Fiscal Effect:

<u>1989-90</u>		<u>1990-91</u>		<u>Biennium Total</u>	
<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>

If additional space is needed, attach a supplemental sheet.

Signed Kathryn L. Strombeck

Typed Name Kathryn L. Strombeck

Date Prepared: 4-07-89

Department TAX

Handwritten initials and signature in red ink.