

FISCAL NOTE

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Bill/Resolution No.: _____ Amendment to: Eng. HB 1068

Requested by Legislative Council Date of Request: 4-8-97

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative: HB 1068, if enacted as recommended by the conference committee, exempts all property of telecommunications companies from property tax. It imposes a 2½ percent gross receipts tax, and allocates \$8.4 million to the political subdivisions on the basis of revenues received from taxes paid by telecommunications companies in 1997. If revenues from the gross receipts tax are less than \$8.4 million per year, the difference is appropriated from the state general fund. The state general fund expenditures would increase by approximately \$582,000 per year, because projected revenues from the gross receipts tax, based on information from companies presently having a reporting requirement, are less than \$8.4 per year. Gross receipts taxes from resellers (e.g. MCI and more than 200 other resellers, hotels, hospitals, etc.) and from the growth in the usage of cellular phones are not included in the estimate of fiscal impact, because the information is not available. The negative impact to the state general fund will be reduced by the amount of gross receipts tax that will be received from resellers and growth in the cellular phone industry.

2. State fiscal effect in dollar amounts:

	<u>1995-97 Biennium</u>		<u>1997-99 Biennium</u>		<u>1999-2001 Biennium</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>
Revenues:				\$7.818M		\$15.636M
Expenditures:			\$0.582M		\$1.164M	

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1995-97 biennium: _____
- b. For the 1997-99 biennium: + 1 FTE \$73,600
- c. For the 1999-2001 biennium: + 1 FTE \$70,600

4. County, City, and School District fiscal effect in dollar amounts:

<u>1995-97 Biennium</u>			<u>1997-99 Biennium</u>			<u>1999-2001 Biennium</u>		
<u>Counties</u>	<u>Cities</u>	<u>School Districts</u>	<u>Counties</u>	<u>Cities</u>	<u>School Districts</u>	<u>Counties</u>	<u>Cities</u>	<u>School Districts</u>
			+97K	+52K	+259K	+193K	+104K	+519K

If additional space is needed, attach a supplemental sheet.

Signed *Kathryn L. Strombeck*

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Department Tax

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