

FISCAL NOTE
Requested by Legislative Council
02/21/2011

Amendment to: SB 2238

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			(\$1,003,000)	(\$87,000)		
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

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).*

Eng. SB 2238 expands the compensation allowed to permit-holders collecting and remitting sales and use taxes in a manner consistent with compensation methodology accepted by the streamlined sales tax governing board.

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.*

Eng. SB 2238 expands the sales and use tax compensation to make it effective for all permit-holders that collect and remit sales and use taxes. The bill creates three tiers of compensation based on the monthly state and local sales and use taxes collected by each consolidated business entity. The calculation of compensation will be based on the combined state and local taxes, with the compensation pro-rated between the state and the localities. There may be annual adjustments of the compensation rates among the three tiers.

If enacted, Eng. SB 2238 is expected to increase compensation costs by \$2.17 million per year, or \$1.09 million for the last 6 months of the 2011-13 biennium when it would be in effect. This would reduce state general fund and state aid distribution fund revenues as shown above.

The provisions of this bill require the compensation to be shared between the state and the local jurisdictions that impose a sales tax. Current information indicates the local component is about equal to current law, although there will be shifts among individual cities, with some paying more compensation, and others paying less.

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.

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