

**FISCAL NOTE**  
**Requested by Legislative Council**  
**02/12/2013**

Amendment to: SB 2277

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$(35,880,000)	\$(3,120,000)		
Expenditures						
Appropriations			\$9,700,000			

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

Engrossed SB 2277 provides a sales tax exemption for clothing.

- 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.*

Section 1 of engrossed SB 2277 defines the clothing exempted from sales tax and provides for a continuing appropriation to home rule cities and counties that impose local option sales taxes.

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.*

If enacted, engrossed SB 2277 is expected to reduce state general fund and state aid distribution fund revenues by an estimated \$39 million in the 2013-15 biennium. Cities and counties that impose local sales taxes would also be required to exempt clothing. This is expected to reduce local sales tax collections by an estimated \$9.7 million in the 2013-15 biennium.

- 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.*

Section 1 contains a continuing appropriation of \$9.7 million each biennium from the state general fund to the home rule charter sales tax reimbursement fund. This fund is used to facilitate payments to cities and counties for lost local sales tax revenue due to the clothing exemption.

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