

FISCAL NOTE
HOUSE BILL NO. 1571
LC# 25.1229.01000
01/27/2025
Revised - 01/27/2025

1 - 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.

	2023-2025 Biennium		2025-2027 Biennium		2027-2029 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2023-2025 Biennium	2025-2027 Biennium	2027-2029 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

HB 1571 repeals the sales and use tax exemption for raw materials, single-use product contact systems, and reagents used for biologic manufacturing.

4 - Fiscal Impact Sections Detail

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.

If enacted, section 2 of HB 1571 would repeal the use tax exemption for contractors on raw materials, single use product contact systems, and reagents used for biologic manufacturing.

Section 3 of HB 1571 would repeal the sales and use tax exemption on the gross receipts from sales of raw materials, single-use product contact systems, and reagents used directly for discovery, testing, screening, and production for biologic manufacturing.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please 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, HB 1571 would cause an increase in revenue from sales and use tax collections to the general fund, state aid fund, and county aid fund. There would also be an expected increase in revenues for city and county local option taxes if the taxable activity is sourced to locations that impose local sales, use, and gross receipts taxes.

Based on the reporting requirements for taxpayers that qualify for the existing exemption, there would be an estimated increase in revenue per biennium of \$4,362,000 into the general fund, \$416,000 to the state aid fund, and \$2,000 to the county aid fund. However, because the qualifying purchase information for contractors is unknown, the overall fiscal impact cannot be determined.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.

Contact Information

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