

# FISCAL NOTE

Requested by Legislative Council  
02/15/2001

Bill/Resolution No.:

Amendment to:           Engrossed  
                                  SB 2181

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.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>			\$1,998,000	\$174,000		
<b>Expenditures</b>						
<b>Appropriations</b>						

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

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

SB 2181 Second Engrossment imposes the state sales tax on car rentals. It also imposes a 3% surcharge on car rentals, which offsets the motor vehicle excise tax paid by car rental companies on the vehicles added to their fleet. Revenues from the 3% surcharge in excess of motor vehicle excise taxes are remitted to the state and treated as sales tax revenues.

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.*

The provisions of SB 2181 Second Engrossment that subject car rentals to the state sales tax are expected to increase State General Fund and State Aid Distribution Fund revenues by \$1.872 million during the 01-03 biennium. The 3% surcharge provisions are expected to generate an additional \$300,000 of biennial revenue in excess of motor vehicle excise taxes, which will also go to the State General Fund and the State Aid Distribution Fund.

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, of the effect on the*

*biennial appropriation for each agency and fund affected and any amounts included in the executive budget.  
Indicate the relationship between the amounts shown for expenditures and appropriations.*

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**Agency:** Tax Department  
**Date** 02/20/2001  
**Prepared:**