FISCAL NOTE
HOUSE BILL NO. 1513
LC# 23.0964.02000
01/26/2023

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.

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 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.

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 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 1513 expands a sales tax exemption for sales made to an eligible facility or emergency medical services provider, as well as a modification for use tax on contractors, and adds an effective date.

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.

Section 1 of HB 1513 expands a sales tax exemption from all sales when made to an eligible facility or emergency medical service provider for the use or benefit of its patient or occupant. The definition of "eligible facility" is modified to include hospice program to the current list of any hospital, skilled nursing facility, intermediate care facility, residential end-of-life facility, basic care facility, or any assisted living facility licensed by the department of health and human services.

Section 2 of HB 1513 creates a subsection stating that tangible personal property purchased by a contractor on behalf of an entity qualifying for an exemption and subsequently installed into a facility used by the entity are excluded from sales and use tax.

Section 3 of HB 1513 makes these changes effective for taxable events occurring after 06/30/2023.

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, section 1 of HB 1513 may create a reduction in revenue to both the general fund and the state aid fund on any eligible exemption claims. This reduction is based on the number of hospice programs that are eligible for the exemption as well as the amount of purchases made by the eligible hospice programs. Because these are unknown factors, the Office of State Tax Commissioner is unable to provide a reliable estimate for the revenue reduction amount.

If enacted, section 2 of HB 1513 may create a reduction in revenue to both the general fund and the state aid fund. This reduction is based on the amount of purchases by a contractor on behalf of an entity qualifying for an exemption and subsequently installed into a facility used by the entity. Because these are unknown amounts, the Office of State Tax Commissioner is unable to provide a reliable estimate for the revenue reduction amount.

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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