FISCAL NOTE
HOUSE BILL NO. 1456
LC# 23.0703.02000
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 1456 modifies the definition of gross receipts for purposes of sales tax calculation and provides 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 1456 will modify the definition of gross receipts to include installation charges. Section 1 of HB 1456 would make the definition of gross receipts as follows:

Gross receipts means the measure subject to sales tax and means the total amount of consideration, including cash, credit, property, and services, for which personal property or services are sold, leased, or rented, valued in

money, whether received in money or otherwise, without any deduction for the following:
(1) The seller's cost of the property sold;
(2) The cost of materials used, labor or service costs, interest, losses, all costs of transportation to the seller, all taxes imposed on the seller, and any other expense of the seller;
(3) Charges by the seller for any services necessary to complete the sale, other than delivery and installation charges;
(4) Delivery charges; and
(5) Installation charges; and
(6) Credit for any trade-in, as determined by state law

Section 3 of HB 1456 makes this definition 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.

Section 1 of HB 1456 may create an increase in revenue to both the general fund and the state aid fund. This increase is based on the amount of eligible purchases made that contain installation charges. Because this amount is unknown, 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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