

BILL SUMMARY
2nd Session of the 56th Legislature

Bill No.:	HB 3123
Version:	INT
Request Number:	9553
Author:	Rep. Blancett
Date:	2/20/2018
Impact:	Tax Commission:
	Sales Tax Decrease:
	FY-19: \$4,818
	FY-20: \$8,433

Research Analysis

HB3123, as introduced, provides a sales tax exemption on sales of personal property or services to or by an organization that is an official member of the Fab Lab Network. Qualified entities must be a tax exempt 501c3 organization, have a letter from the MIT Fab Foundation certifying compliance with the Fab Chapter and be able to provide documentation that their primary and principal purpose is to provide community access to advanced 21st century manufacturing and digital fabrication tools for science, technology, engineering, art and math learning skills.

Prepared By: Quyen Do

Fiscal Analysis

From the Tax Commission:

There is currently one known organization which could qualify for the proposed sales tax exemption. Information received from the entity indicates a FY 17 expenditure amount for tangible personal property and taxable services of \$176,075. Applying the state sales tax rate of 4.5% to the FY 17 expenditure amount yields a decrease in state sales tax collections of \$7,923.

The measure proposes an effective date of November 1, 2018. Application of inflation rate adjustments of 2.1%, results in an estimated decrease in state sales tax collections of \$4,818 for FY 19¹ and \$8,433 for FY 20 (again applying a 2.1% inflation rate adjustment).

Prepared By: Mark Tygret

Other Considerations

None.