

BILL SUMMARY
2nd Session of the 57th Legislature

Bill No.:	HB 3318
Version:	INT
Request Number:	9303
Author:	Rep. Blancett
Date:	2/11/2020
Impact:	Tax Commission:
	Revenue Decrease
	FY-21: (\$4,000)

Research Analysis

HB3318, as introduced, establishes a sales tax exemption for sales of tangible personal property or services to a 501c(3) nonprofit that purchases or receives donated school supplies for the benefit of K-12 students that reside in a school district with mostly low-income families.

Prepared By: Quyen Do

Fiscal Analysis

Analysis provided by the Tax Commission:

Presently, there is one known organization which could qualify for the proposed sales tax exemption. Information received from the entity indicates that state and local sales tax in the amount of \$6,540 was remitted on its purchases of school supply items for FY 19. Of this amount 53% or \$3,466 is attributed to state sales tax. The entity indicates that its only sales during FY 19 relate to the auction of donated items which appear to be exempted from the sales tax levy under Section 1356(75) of Title 68 and as a consequence are not included for purposes of estimating the revenue impact of this proposal. Application of inflation rate adjustments of 1.9%¹ results in an estimated decrease in state sales tax collections of \$3,599 for FY 21.

¹ Based on latest version of the Consumer Price Index-All Urban Consumers

Prepared By: Mark Tygret

Other Considerations

None.