

BILL SUMMARY
1st Session of the 57th Legislature

Bill No.:	SB 18
Version:	ENGR
Request Number:	NA
Author:	Rep. Hilbert
Date:	3/26/2019
Impact:	Tax Commission:
	Unknown Decrease
	In Sales Tax Revenue

Research Analysis

Engrossed SB18 extends the sunset date of the sales tax exemption for the sales or leases of rolling stock to July 1, 2024. The measure also expands the exemption to include railroad car maintenance and retrofitting.

Prepared By: Quyen Do

Fiscal Analysis

Analysis provided by the Tax Commission:

The measure extends the sunset date for sales tax exemption of rolling stock sold by a manufacturer thereof for use or consumption by a common carrier directly in the rendition of public service to July 1, 2024, from July 1, 2019.

Additionally, beginning July 1, 2019 and ending July 1, 2024, the measure also expands the meaning of “sales and leases” to include railroad car maintenance and retrofitting of railroad cars for their further use only on the railways.

This expanded language would exempt sales of parts and supplies sold by a manufacturer of rolling stock in the maintenance or retrofitting of railroad cars for their further use on the railways. It is not known the extent to which exempting the maintenance and retrofitting activities will impact state sales tax revenues. Therefore, it is estimated that an unknown decrease in state sales tax revenues will occur for FY 20.

Prepared By: Mark Tygret

Other Considerations

None.