

BILL SUMMARY
1st Session of the 58th Legislature

Bill No.:	HB 2874
Version:	INT
Request Number:	6017
Author:	Rep. Wallace
Date:	2/10/2021
Impact:	Tax Commission:

Sales/Use Tax Revenue Decrease
FY-23: (\$6,724,081)

Research Analysis

HB 2874 provides a sales tax exemption for sales of tangible personal property or services to University Hospitals Trust. The measure also provides an exemption for transfer of tangible personal property or services made by or to the University Hospitals Trust or nonprofit entities that are exempt from taxation pursuant to provisions of the Internal Revenue Code that have entered into a joint operating agreement with the University Hospitals Trust.

Prepared By: Emily McPherson

Fiscal Analysis

Tax Commission original analysis on SB 79 (an identical measure except the original effective date) indicated a sales tax revenue decrease of \$6,724,081. Currently, both HB 2874 and SB 79 now include an effective date of July 1, 2022. Because of the stated effective date the impact to sales tax collections will not be realized until FY-23.

Prepared By: Mark Tygret

Other Considerations

Funds currently utilized for sales tax payments will be re-purposed to fill additional medical residency slots, nursing school students and other enhancements to the Trust's mission.