

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 3701</b>
<b>Version:</b>	<b>INT</b>
<b>Request Number:</b>	<b>9515</b>
<b>Author:</b>	<b>Rep. Russ</b>
<b>Date:</b>	<b>2/24/2022</b>
<b>Impact:</b>	<b>Tax Commission:</b>

**Sales Tax Revenue Decrease:**  
**FY-23: (\$797,000)**  
**FY-24: (\$1,397,000)**

**Research Analysis**

HB3701, as introduced, exempts from the sales tax levy, sales of hearing aids purchased from a state licensed audiologist or hearing aid dealer.

Prepared By: Quyen Do

**Fiscal Analysis**

Analysis provided by the Tax Commission:

Based on OTC sales tax reporting and remittance data, state sales tax collections of \$1,280,000 are attributable to the described sales of hearing aids for FY 21.

The measure proposes an effective date of November 1, 2022. Application of inflation rate adjustments<sup>1</sup> results in an estimated decrease in state sales tax collections of \$796,699 for FY 23<sup>2</sup> and \$1,397,182 for FY 24.

<sup>1</sup> IHS Markit/US Forecast Flash, January 3, 2022 [4.2% for FY 22, 2.4% for FY 23 and 2.3% for FY 24].

<sup>2</sup> Includes seven months of sales tax collections

Prepared By: Mark Tygret

**Other Considerations**

None.