

**BILL SUMMARY**  
1<sup>st</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 600</b>
<b>Version:</b>	<b>ENGR</b>
<b>Request Number:</b>	<b>NA</b>
<b>Author:</b>	<b>Rep. Pfeiffer</b>
<b>Date:</b>	<b>3/24/2021</b>
<b>Impact:</b>	<b>Tax Commission</b>

**Minimal Decrease in Coin-Operated Decal Revenue**

**Net Increase in Sales Tax Revenue**

**Research Analysis**

Pending

Prepared By: House Research Staff

**Fiscal Analysis**

Analysis provided by the Tax Commission:

Certain vending devices now utilize payment technology that incorporates credit/debit card and electronic/digital payment processing applications such as Google Pay and Square that replace the need for traditional physical currency. In addition, vending devices are now dispensing tangible products that were previously only available in stores or purchased online. Some examples are: DVD rentals, athletic shoes and electronic devices including cell phones, etc. Currently, an annual decal fee of \$75.00 must be paid for the described machines. Payment of the \$75 annual fee is in lieu of sales tax. An equivalent \$75.00 in state sales tax equates to approximately \$1,666 in taxable sales. Removing the imposition of the decal fee on these machines would require the owners/operator thereof to obtain a sales tax permit and collect and remit the state and local sales tax due on the amounts charged for sales made through the device. The state sales tax collected on a particular purchase made through the device would equal that collected by the local retail establishment for a similar transaction. While some operators of this type of device have elected to collect and remit state and local sales tax, the amendatory provisions ensure that operators of similar machines, presently and in the future, will be required to collect and remit sales tax.

Tax Commission records do not specifically identify the number of these machines subject to the \$75 decal that are presently in operation in the state. It is estimated that the change in treatment would result in a loss in coin-operated decal fee revenues with a net increase in state sales tax collections. The extent to which these revenues will be impacted by the enactment of this measure is unknown.

Prepared By: Mark Tygret

**Other Considerations**

None.

