

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 1242

SHORT TITLE: Clarify Free Item Sales Tax

SPONSOR(S): Representatives Shubert, Blue, Cansler, Capps, Church, Neely, Robinson and Shaw

FISCAL IMPACT: Expenditures: Increase () Decrease ()
Revenues: Increase (X) Decrease ()
No Impact ()
No Estimate Available ()

FUND AFFECTED: General Fund () Highway Fund () Local Govt. (X)
Other Funds ()

BILL SUMMARY: The proposed act clarifies that property given away or used by the merchant is not exempt from use tax, except in the case of restaurants and caterers that provide free meals to employees or free bar food to patrons.

EFFECTIVE DATE: July 1, 1996

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Sale and Use Tax Division, Department of Revenue sales tax collections for city and county governments

FISCAL IMPACT

Table with 5 columns: FY 1996-97, FY 1997-98, FY 1998-99, FY 1999-00, FY 2000-01. Row: REVENUES: GENERAL FUND, Insignificant Gain

SOURCES OF DATA: Department of Revenue Sales and Use Tax Division

FISCAL RESEARCH DIVISION: 733-4910

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APPROVED BY: Tom L. Covington /s/TomC

DATE: June 5, 1996



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