

BDR 32-262
SB 334

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 27, 2015

Agency Submitting: Department of Taxation

Items of Revenue or Expense, or Both	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Effect on Future Biennia
Sales & Use Taxes Durable Medical and Mobility Equipment (Revenue)			(\$6,259,951)	(\$25,039,810)
Total	0	0	(\$6,259,951)	(\$25,039,810)

Explanation

(Use Additional Sheets of Attachments, if required)

Please see attached

Name Deonne Contine

Title Executive Director

DEPARTMENT OF ADMINISTRATION'S COMMENTS

Date Tuesday, March 24, 2015

The agency's response appears reasonable.

Name James R. Wells, CPA

Title Interim Director

DESCRIPTION OF FISCAL EFFECT

BDR/Bill/Amendment Number: BDR 32-262

Name of Agency: Department of Taxation

Division/Department: _____

Date: March 18, 2015

BDR 32-262 provides for the submission to the voters during the 2016 General Election whether the Sales and Use Tax Act of 1955 should be amended to provide for the following exemptions:

1. Exemption from the Sales and Use Tax for certain durable medical equipment and mobility-enhancing equipment
2. Exemption from the Sales and Use Tax for hearing aids and hearing aid accessories
3. Exemption from the Sales and Use Tax for ophthalmic or ocular devices or appliances

These exemptions become effective on January 1, 2017 should the voters approve this amendment.

Expenses:

The Department is able to administer the changes in this legislation with current resources.

Revenues:

Utilizing historical taxable sales data for applicable NAICS codes, the Department estimates the following impacts on sales and use tax revenues:

1. Exemption from the Sales and Use Tax for certain durable medical equipment and mobility-enhancing equipment

FY 2017: (\$931,714)

Future Biennia: (\$3,726,858)

2. Exemption from the Sales and Use Tax for hearing aids and hearing aid accessories

FY 2017: (\$541,103)

Future Biennia: (\$2,164,414)

3. Exemption from the Sales and Use Tax for ophthalmic or ocular devices or appliances

FY 2017: (\$4,787,134)

Future Biennia: (\$19,148,538)