

## STATEMENT OF PURPOSE

RS32429 / H0263

Charities that save animals from starvation or euthanasia and find adoptive homes for them have recently been told by the Tax Commission that the animals they are saving are tangible personal property and that they need to charge sales tax on the “sale” of a rescued animal. This has been widely considered to be a service rather than a sale of goods. This legislation clarifies that this is a service and the fees charged by the non-profit to cover the costs of care, feeding, housing and transportation of the animals before they are placed with an adoptive family are not subject to sales tax.

## FISCAL NOTE

The Tax Commission estimates that the loss of revenue due to this legislation will not exceed \$100,000. Much of this is revenue that has not been collected before because many or most rescuers have treated these as services, not sales of tangible personal property, so have not been collecting sales taxes.

### Contact:

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**DISCLAIMER:** This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).