

STATEMENT OF PURPOSE

RS20751

This legislation is designed to eliminate certain exemptions from the sales tax and reduce the sales tax rate from six percent (6%) to five percent (5%). The main features of the legislation are: retains the production/agricultural exemptions, eliminates ten exemptions (broadcast equipment, commercial aircraft, railroad rolling stock and remanufacturing, driver's education automobiles, trade in value, ski lifts and snow grooming equipment, heating materials, utility sales, precious metal bullion, and telecommunications equipment), and extends sales tax to nine categories of services (professional, personal, business, construction, transportation, repairs, lottery and pari-mutual betting, media measurement, and miscellaneous), It will maintain the exemption for medical services and extend sales tax to motor vehicle purchases by related parties, sales through vending machines and sales by outfitters and guides.

FISCAL NOTE

This legislation is estimated to produce a net revenue increase of \$400 million dollars.

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