

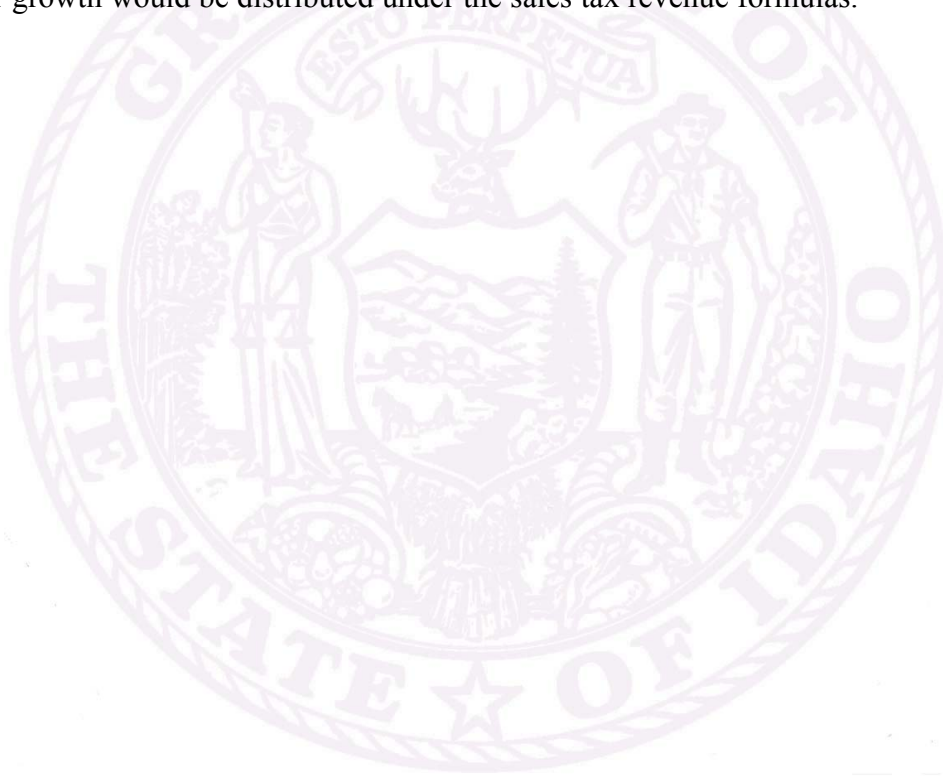
STATEMENT OF PURPOSE

RS23753C1

This bill amends section 63-3622R to limit the sales tax exemption for out of state purchasers of motor vehicles, trailers, vessels, ATVs, off road motorcycles, and snowmobiles to those purchasers who are from states not having a sales and use tax. The bill retains an exemption for those same products if manufactured in the state of Idaho and if sold directly by the manufacturer to an out of state purchaser for use out of state. A distribution of \$10 million in additional revenue is made to the state highway account for construction and maintenance of state highways.

FISCAL NOTE

The current exemption is valued at \$19.2 million. That value would increase by \$200,000 if H 12 passes adding UTVs and SOHVs to the exemption. A dedicated appropriation will be made of \$10 million to the state highway fund, which leaves a liberal allowance for sales to purchasers from states without sales tax, and for direct manufacturer sales to out of state purchasers. Any additional amounts or growth would be distributed under the sales tax revenue formulas.



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