

STATEMENT OF PURPOSE

RS28439 / H0112

This proposed legislation provides a mechanism for governmental agencies to receive a rebate for sales and use taxes that are sometimes collected and paid on road materials used in the construction, repair or replacements of highways, streets, roads and or alleys. Currently sales and or use taxes are collected differently on road materials depending upon who owns the vehicles that are placing the road materials on the ground. Consequently, monies that are set aside for transportation are being funneled off and deposited into the general fund. This legislation will help to ensure that monies designated for transportation get used for transportation.

FISCAL NOTE

The fiscal impact to the General Fund will be an approximate \$12,000,000 reduction. However, the impact to local highway districts and other governmental agencies that build and maintain roads will be an approximate \$12,000,000 increase.

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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).