



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1100

PRINTERS NO. 1676

PRIME SPONSOR: Daley

REVENUE INCREASE / (DECREASE)

FUND	FY 2011/12	FY 2012/13
General Fund	\$0	(\$9,300,000)

SUMMARY: House Bill 1100, Printer's Number 1676, amends the Tax Reform Code, in sales and use tax, further providing for exclusions from sales and use tax.

ANALYSIS: This legislation adds Subsections (69) and (70) to Section 204 (Exclusions from tax) of the Tax Reform Code providing that the sale at retail or use of new or used fixed-wing aircraft are exempt from taxation as well as the sale at retail or use of aircraft parts and the maintenance and installation of such parts.

The act shall take effect in 90 days.

FISCAL IMPACT: Because the act takes effect in 90 days the exemption would not apply to purchases made in FY2011-12. According to the Department of Revenue, this legislation would result in the loss of \$12.4 million in FY2012-13 if the sales tax exclusion for fixed-wing aircraft were in effect the entire fiscal year. Assuming an enactment date of June 30, 2012 and the fact that the exclusion would take effect in 90 days, enactment of the bill would result in the estimated loss of \$9.3 million in revenues to the General Fund in FY2012-13.

PREPARED BY: Ritchie LaFaver
House Appropriations Committee (R)

DATE: May 18, 2012

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.