



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1513

PRINTERS NO. 2492

PRIME SPONSOR: Dunbar

COST / (SAVINGS)

FUND	FY 2013/14	FY 2014/15
General Fund	\$0	\$0

SUMMARY: House Bill 1513, Printer's Number 2492, amends the Local Tax Enabling Act (Act 511 of 1965), further providing for delegation of taxing powers and restrictions thereon.

ANALYSIS: This legislation adds Section 301.1(a.1) stating that a local taxing authority (LTA) may levy a business privilege tax if (1) the privilege is exercised by conducting transactions in the jurisdiction of the LTA for all or part of 15 or more calendar days or (2) the privilege is exercised through a base of operations within the jurisdiction of the levying LTA. The gross receipts subject to taxation through a base of operations in (2) shall not include any receipts subject to a tax imposed under (1). The term "base of operations" shall mean an actual, physical and permanent place of business from which a taxpayer manages, directs and controls its business activities at that location.

The act shall apply to taxable years commencing on or after January 1, 2014. The act takes effect immediately.

FISCAL IMPACT: Enactment of this legislation will have no adverse fiscal impact on Commonwealth funds. Some taxing jurisdictions currently levy the business privilege tax on the privilege of conducting business within the jurisdiction while other taxing jurisdictions levy the tax on the basis of the base of operations being located within the taxing jurisdiction. This legislation clarifies that a taxing jurisdiction levying the tax on the basis of a base of operations shall not include the gross receipts which are subject to taxation in another taxing jurisdiction. A taxing jurisdiction may realize a reduction in revenues from the business privilege tax to the extent the taxing jurisdiction does not currently provide a credit for taxes paid to another jurisdiction.

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House Appropriations Committee (R)

DATE: October 15, 2013

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