



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 2277

PRINTERS NO. 2645

PRIME SPONSOR: Topper

REVENUE INCREASE / (DECREASE)

FUND	FY 2021/22	FY 2022/23
General Fund	See Fiscal Impact	See Fiscal Impact

SUMMARY: House Bill 2277, Printer's Number 2645, amends the Tax Reform Code further providing for time for filing returns in sales and use tax.

ANALYSIS: This legislation eliminates the requirement for licensees, whose actual tax liability for the third quarter of the preceding year equaled or exceeded \$25,000, to file a return and remit accelerated sales tax prepayments.

The act shall take effect immediately and is applicable for periods beginning June 1, 2022, and thereafter.

FISCAL IMPACT: Enactment of this legislation will result in the elimination of the current accelerated sales tax prepayment provisions which require certain businesses to prepay sales taxes prior to actually collecting the taxes from the consumers on their monthly sales. Beginning with sales in June 2022, such businesses will now remit the taxes collected on their monthly sales on or before the 20th day of the following month.

The House Finance Committee reported this legislation out of committee on April 12, 2022, and at that time the Department of Revenue provided a fiscal impact estimating the elimination of the June 2022 accelerated prepayment will result in the one-time loss of \$367.1 million in fiscal year 2021-22. On April 26, 2022, at 8:59 am, the department issued a new fiscal impact estimating the one-time loss to be \$471.1 million in fiscal year 2021-22.

The fiscal impact in fiscal year 2022-23 will be the difference between the additional monies from June 2022 that is shifted into July 2022 and the amount of the prepayment that would have been made in June 2023.

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House Appropriations Committee (R)

DATE: April 26, 2022

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