

Fiscal Analysis

USE TAX; CREATE 90-DAY EXEMPTION



Bill/Sponsor **HOUSE BILL 4219 (H-1) AS REPORTED**, Rep. Gary Woronchak

House Committee Tax Policy

Analysis

Summary

House Bill 4219 would amend the Use Tax Act to exempt tangible personal property that is brought into the state more than 90 days after the date of purchase and is not considered as acquired for storage, use, or other consumption in this state.

Fiscal Impact

The fiscal impact is difficult to determine, especially if this exemption is pursued aggressively on the part of business firms. Estimates from the Department of Treasury suggest that that the revenue loss could be at least \$10 million per year, and perhaps much more.

One-third of use tax revenues are earmarked to the School Aid Fund. The remaining amount is deposited in the General Fund.

Analyst(s)

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FLOOR ANALYSIS - 3/19/03

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