

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1942

Bill Subtitle: TO CREATE THE SALES AND USE TAX REDUCTION STUDY.

Basic Change :

Sponsors: Representatives Ladyman, Jett and Senator D. Wallace

HB1942 would create the Sales and Use Tax Reduction Study to be conducted by the House Committee on Revenue and Taxation and the Senate Committee on Revenue and Taxation who would meet jointly to conduct the study. The joint meetings of the Committees would be open public meetings under the Freedom of Information Act with the first meeting to be held within sixty (60) days of the effective date of this act. The meetings would be held at least one (1) time every three (3) months but may occur more often at the call of the chairs.

The purpose of the Sales and Use Tax Reduction Study is to make recommendations to the General Assembly regarding a possible reduction of the sales and use tax rate and how the reduction in state revenue resulting from the reduced sales and use tax rate could be offset through savings, income growth or by other means. The study would include:

- The feasibility of reducing the state sales and use tax rate by five-tenths percent (0.5%);
- The overall cost to general revenue and special revenue resulting from a reduction of the sales and use tax rate; and
- The possible means of offsetting a reduction in state revenue through savings, income growth, and by other means.

The final report from the study would be filed on or before December 1, 2020 with the Legislative Council. The final written report would reflect the activities, findings, and recommendations.

Revenue Impact :

None.

Taxpayer Impact :

None.

Resources Required :

None.

Time Required :

None.

Procedural Changes :

None.

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Other Comments :

None.

Legal Analysis :

None.