

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1172

Bill Subtitle: TO CREATE A SALES AND USE TAX EXEMPTION FOR MORTALITY COMPOSTING DEVICES SOLD TO A COMMERCIAL LIVESTOCK OR POULTRY PRODUCER.

FY2025

Total Approximate State Sales and Use Tax Loss \$ - 814,000

General Revenue - 4.5%	\$ - 490,042
Property Tax Relief - .5%	\$ - 60,674
Conservation Fund - .125%	\$ - 15,169
Educational Adequacy Fund - .875%	\$ - 106,180
Highway Fund - .5%	\$ - 60,674
Educational Excellence Trust Fund -	\$ - 51,476
Educational Adequacy (GR Transfer) -	\$ - 4,551
State Central Services –	\$ - 17,094
Constitutional Officers -	\$ - 8,140

Total Approximate Local City and County Sales and Use Tax Loss \$ - 271,333

Taxpayer Impact :

A commercial livestock or poultry producer purchasing mortality composting devices would no longer be responsible for paying sales and use taxes on those purchases.

Resources Required :

None.

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

Updates to the Sales and Use Tax Rules will need to be promulgated.

Other Comments :

None.

Legal Analysis :

The sale of a mortality composting device does not qualify for the existing exemption for farm equipment and machinery because a mortality composting device is not an implement used exclusively and directly in the commercial production of food or fiber.