

Department of Finance and Administration

Legislative Impact Statement

Bill: SB853

Amendment Number: Engrossment 4/16/13 (Am #S1)

Bill Subtitle: TO CREATE AN EXEMPTION FROM THE SALES AND USE TAX FOR DENTAL APPLIANCES SOLD BY OR TO DENTISTS OR CERTAIN OTHER PROFESSIONALS.

Basic Change :

Senator Teague

Engrossment 04/16/13 --- Senate Amendment 1 --- Amends the bill to provide an effective date of July 1, 2014 for the sales and use tax exemption for dental appliances sold to or by a dentist, orthodontist, oral surgeon, maxillofacial surgeon, or endodontist.

Original Bill --- The bill enacts a sales and use tax exemption for the sale of a dental appliances to or by a dentist, orthodontist, oral surgeon, maxillofacial surgeon, or endodontist. A dental appliance is defined as a dental device that is made for a specific patient, including without limitation a dental implant, orthodontic appliance, retainer, crown, bridge, or denture. The proposal would be effective on the first day of the calendar quarter following the effective date of the act.

Revenue Impact :

FY15 Tax Decrease

Total Impact to State Revenues - \$2.10 million

-\$ 1.41 million --- State General Revenue (4.5%)
-\$.27 million --- Educational Adequacy (.875% tax)
-\$.16 million --- Property Tax Relief Trust Fund (.5%)
-\$.04 million --- Conservation Tax (.125%)
-\$.16 million --- Highway Fund (.5%)
-\$ 0 --- Educational Excellence Trust Fund
-\$ 0 --- Educational Adequacy (GR transfer)
-\$.05 million --- State Central Services
-\$.02 million --- Constitutional Officers
Total Impact to City and County Sales Tax - \$675,000

FY16 Tax Decrease

Total Impact to State Revenues - \$2.20 million

-\$1.26 million --- State General Revenue (4.5%)
-\$.29 million --- Educational Adequacy (.875% tax)
-\$.16 million --- Property Tax Relief Trust Fund (.5%)
-\$.04 million --- Conservation Tax (.125%)
-\$.16 million --- Highway Fund (.5%)
-\$.20 million --- Educational Excellence Trust Fund
-\$.02 million --- Educational Adequacy (GR transfer)
-\$.05 million --- State Central Services
-\$.02 million --- Constitutional Officers
Total Impact to City and County Sales Tax - \$710,000

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Taxpayer Impact :

Taxpayers would be required to program accounting systems to allow for the exemption.

Resources Required :

None

Time Required :

Adequate time is allowed in the proposal.

Procedural Changes :

Education of staff and a revision of the rules to allow for the exemption.