

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1397

Bill Subtitle: TO EQUALIZE THE SALES TAX TREATMENT OF DUES AND MEMBERSHIP FEES FOR CERTAIN CLUBS AND FACILITIES; AND TO LEVY A SALES TAX ON DUES AND MEMBERSHIP FEES TO CERTAIN FACILITIES AND CLUBS.

Basic Change :

Sponsor: Representative Leding

HB1397 provides that dues and membership fees to golf facilities would be subject to state and local sales tax regardless of whether the facility holds an ABC permit. Current law imposes the tax on the dues and membership fees if the facility holds an ABC permit. The proposal also continues the current exemption on fees for services performed by those facilities unless the service being performed is specifically enumerated as a taxable service under state law. The proposal also corrects a code citation in current law. The proposal would be effective on the first day of the calendar quarter following the effective date of the Act.

Revenue Impact :

FY18 Tax Increase

[8 Months of Increased Tax Collections -- 10/1/2017 Effective Date]

Total Impact to State Revenues	-	\$ 350,000
State General Revenue (4.5%)		\$ 234,312
Educational Adequacy (.875% tax)		\$ 45,561
Property Tax Relief Trust Fund (.5%)		\$ 23,035
Conservation Tax (.125%)		\$ 6,509
Highway Fund (.5%)		\$ 26,035
Educational Excellence Trust Fund		\$ 0
Educational Adequacy (GR transfer)		\$ 0
State Central Services		\$ 8,050
Constitutional Officers		\$ 3,500
Total Impact to City and County Sales Tax		\$ 120,000

FY19 Tax Increase

Total Impact to State Revenues	-	\$ 520,000
State General Revenue (4.5%)		\$ 312,059
Educational Adequacy (.875% tax)		\$ 67,690
Property Tax Relief Trust Fund (.5%)		\$ 38,680
Conservation Tax (.125%)		\$ 9,670
Highway Fund (.5%)		\$ 38,680
Educational Excellence Trust Fund		\$ 33,132
Educational Adequacy (GR transfer)		\$ 2,929
State Central Services		\$ 11,960
Constitutional Officers		\$ 5,200
Total Impact to City and County Sales Tax		\$ 170,000

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Taxpayer Impact :

Taxpayers who do not currently hold an ABC permit for these golf facilities would begin collecting the tax.

Resources Required :

None.

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

None.

Other Comments :

None.

Legal Analysis :

HB1397 amends § 26-52-301 concerning taxable dues and membership fees to include golf facilities. Golf clubs that do not have an ABC permit will be required to collect tax on membership fees the same as other Golf clubs with ABC permits.