

OFFICE OF FISCAL ANALYSIS

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SB-298

AN ACT CONCERNING THE REALLOCATION OF CERTAIN
STATE FUNDS AND VARIOUS PROVISIONS RELATING TO
EDUCATION, PUBLIC SAFETY, GENERAL GOVERNMENT,
ELECTIONS, INTERMEDIATE CARE FACILITIES AND
WAREHOUSE DISTRIBUTION CENTERS.

AMENDMENT

LCO No.: 2241

OFA Fiscal Note

Revenue Loss

The amendment results in a net revenue loss of \$173 million annually to the state by (1) exempting the sale of clothing and footwear priced at \$100 or less from the sales tax and (2) eliminating the one-week sales tax holiday.

Section 501 results in a revenue loss of \$175 million annually to the state by establishing a sales tax exemption on the sale of clothing and footwear priced at \$100 or less. By fund, the revenue loss is anticipated to be \$148 million to the General Fund and \$13.5 million each to the Special Transportation Fund and the Municipal Revenue Sharing Fund.¹

Section 502 results in a revenue gain of \$2 million annually to the state by eliminating the one-week sales and use tax holiday for clothing and footwear price at \$100 or less. By fund, the revenue gain is anticipated to be \$1.7 million to the General Fund and \$160,000 each to the Special Transportation Fund and the Municipal Revenue Sharing Fund.

¹ By statute, 0.5 percentage points of the 6.35% rate (or 7.87% of collections) is deposited into the Special Transportation Fund and Municipal Revenue Sharing Fund each. The remaining 5.35% percentage points (or 84.25%) is deposited into the General Fund.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.