



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **SB 112** SLS 25RS 355

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.: **w/ PROP SEN COMM AMD**

Sub. Bill For.:

<b>Date:</b> April 24, 2025	7:58 PM	<b>Author:</b> JACKSON-ANDREWS
<b>Dept./Agy.:</b> Department of Revenue / LULSTB / Remote Sellers		
<b>Subject:</b> Vendor’s Compensation for Local Sales & Use Tax		<b>Analyst:</b> Noah O’Dell

TAX/TAXATION OR DECREASE LF RV See Note Page 1 of 1  
Authorizes a deduction as compensation for certain dealers and remote sellers that collect and remit sales and use taxes. (7/1/25)  
Current law authorizes municipalities to pay compensation to their sales tax dealers in any amounts designated by the governing body of the municipality.

Proposed law provides dealers compensation at a rate specified by local ordinance for all local taxing authorities on the amount of local sales tax due in the form of a deduction for the timely reporting and payment of sales tax owed. Taxes already paid to a wholesaler are not eligible for the deduction. The Uniform Local Sales Tax Board and the Remote Sellers Commission are mandated to include the vendor’s compensation deduction at the rate set by local ordinance in the respective remittance systems. Applicable to tax periods on or after July 1, 2025.

Fiscal Note for Amendment Set #834

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<b>INCREASE</b>	\$0	\$0	\$0	\$0	<b>\$0</b>
Annual Total		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<b>DECREASE</b>	<b>DECREASE</b>	<b>DECREASE</b>	<b>DECREASE</b>	<b>DECREASE</b>	
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on state governmental expenditures as a result of this measure. Local taxing authorities, the Uniform Local Sales Tax Board (ULSTB), and Remote Sellers Commission should be able to accomplish the reinstatement of vendor’s compensation back into the returns and remittance systems with minimal costs.

REVENUE EXPLANATION

The bill is anticipated to reduce aggregate local tax revenues by tens of millions of dollars beginning in FY26. The exact revenue impact of the bill depends upon the rates set by each local taxing authority through local ordinance applied to taxable sales.

Act 11 of the 2024 ES repealed provisions of law related to the ability of local taxing authorities to provide vendor’s compensation for the timely filing and payment of local sales taxes, except for municipalities. The bill authorizes all local taxing authorities to each designate their own rate of vendor’s compensation. ULSTB and the Remote Sellers Commission are mandated to implement the local designated rates into their respective remittance systems.

Senate

Dual Referral Rules

House

☒ 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

☐ 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

☒ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

  
**Deborah Vivien**  
**Chief Economist**