



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **SB 258** SLS 11RS 662

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 20, 2011	3:11 PM	<b>Author:</b> WILLARD-LEWIS
<b>Dept./Agy.:</b> Revenue		
<b>Subject:</b> State and local sales tax exemption for orbital environments		<b>Analyst:</b> Deborah Vivien

TAX EXEMPTIONS

OR DECREASE GF RV See Note

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Provides that state and local sales and use taxes shall not apply to the purchase of certain items manufactured within the state for use in orbital environments. (7/1/11)

Proposed law provides a state and local sales tax exemption for purchases of items manufactured in the state for use in orbital environments.

Effective July 1, 2011.

EXPENDITURES	2011-12	2012-13	2013-14	2014-15	2015-16	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
Annual Total	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

REVENUES	2011-12	2012-13	2013-14	2014-15	2015-16	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Annual Total	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

This legislation is not specific as to a particular project or to specific products, and could apply to the sales of any products manufactured in the state and used in an orbital environment. The bill does not define an orbital environment, but it is assumed to mean any orbital environment in space. It is not known if any manufacturers in the state would qualify for this exemption. Any manufacturers that begin manufacturing in the state would be subject to this exemption, and any use of the exemption would reduce state general fund revenue collections. The magnitude and timing of any reduction in state general fund revenue can not be determined.

Revenue losses would be associated with products used in private satellites. Sales to the federal government are already exempt from sales tax.

Senate	Dual Referral Rules	House	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}	
		<input type="checkbox"/> 6.8(F)2 >= \$100,000 Annual SGF Cost {H&S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	<b>Gregory V. Albrecht</b> <b>Chief Economist</b>