OFFICE OF FISCAL ANALYSIS

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sHB-5443
AN ACT CONCERNING THE SALES AND USE TAXES RATE FOR AND APPLICABILITY TO CERTAIN MOTOR VEHICLES, PEER-TO-PEER CAR SHARING AND CERTAIN PERSONAL PROPERTY USED IN BURIALS AND CREMATIONS, DEDICATING FUNDING FOR THE TOURISM FUND AND INCREASING THE EXEMPTION AMOUNT FOR SALES TAX-FREE WEEK.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 27 $	FY 28 $
Revenue Serv., Dept.	Various - Revenue Impact	See Below	See Below

Note: Various=Various

Municipal Impact: None

Explanation

The bill makes various changes to the sales and use tax listed below. **Table 1** provides the FY 27 impact of each policy change under the bill. **Table 2** summarizes the net impact of this bill by Fund.

Table 1: Impact of HB 5443 by Policy – in millions

Section	Policy	Fund	FY 27	FY 28
Secs 1 & 2	Tax peer-to-peer services at the 9.35% rate	STF	0.7	0.9
Secs 1 & 2	Increase the luxury tax thresholds for the 7.75% luxury sales tax rate from $50,000 to $75,000	STF	(14.5)	(19.8)
Secs 1 & 2	Dedicate 50% of the 1% meals tax to the Tourism Fund	GF	(44.5)	(60.8)
		Tourism	44.5	60.8
Sec 3	Increase the sales tax exemption for certain personal property used in	GF	(2.5)	(3.5)
		STF	(0.2)	(0.3)

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Section	Policy	Fund	FY 27	FY 28
	burials and cremations from $2,500 to $10,000	MRSF	(0.2)	(0.3)
		Total	*(3.0)*	*(3.1)*
Sec 4	Increase the threshold for the sales tax holiday from $100 to $300 and expanding the holiday to include backpacks	GF	(2.1)	(2.2)
		STF	(0.2)	(0.2)
		MRSF	(0.2)	(0.2)
		Total	*(2.5)*	*(2.6)*

Table 2: Net Impact of HB 5443 by Fund – in millions

Fund	FY 27	FY 28
General Fund (GF)	(49.1)	(66.4)
Special Transportation Fund (STF)	(14.2)	(19.4)
Tourism Fund	44.5	60.8
Municipal Revenue Sharing Fund (MRSF)	(0.4)	(0.5)
Net Total All Funds	(19.3)	(25.5)

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.