

FISCAL NOTE

Requested by Legislative Council
02/02/2001

Bill/Resolution No.:

Amendment to: SB 2181

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues			\$1,722,000	\$150,000		
Expenditures						
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Engrossed SB 2181 removes the exemption for short-term leases of automobiles, subjecting car rentals to state sales tax. It also enables cities to impose a 1% city tax on car rentals and allows rental companies to collect a 3% surcharge to offset motor vehicle excise taxes paid.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The provisions of Engrossed SB 2181 that subject car rentals to sales tax are expected to increase State General Fund and State Aid Distribution Fund revenues by \$1.872 million during the 01-03 biennium. The city tax and surcharge provisions depend on actions by the cities and rental companies and the possible fiscal impact of these provisions (Sections 1 and 2 of Engrossed SB 2181) cannot be determined.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

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Agency: Tax Department
Date 02/11/2001
Prepared: