

# FISCAL NOTE

Requested by Legislative Council  
04/10/2001

Bill/Resolution No.:

Amendment to:            Reengrossed  
                                      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
<b>Revenues</b>			\$1,998,000	\$174,000		
<b>Expenditures</b>						
<b>Appropriations</b>						

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.*

SB 2181 Second Engrossment with Conference Committee Amendments imposes the state sales tax on car rentals. It also imposes a 3% surcharge on car rentals, which offsets motor vehicle excise tax paid by car rental companies on the vehicles added to their fleet. Revenues from the 3% surcharge in excess of motor vehicle excise taxes are to be remitted to the state and distributed as sales tax revenues.

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 SB 2181 Second Engrossment with Conference Committee Amendments that subject car rentals to state 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 3% surcharge provisions are expected to generate an additional \$300,000 of biennial revenue in excess of motor vehicle excise taxes, which will be distributed to the State General Fund and State Aid Distribution Fund.

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.*

**Name:** Kathryn L. Strombeck  
**Phone Number:** 328-3402

**Agency:** Tax Department  
**Date** 04/10/2001  
**Prepared:**