

**DEPARTMENT OF TAXATION
2001 Fiscal Impact Statement**

1. Patron: Putney

3. Committee: House Finance

4. Title: Tangible Personal Property Tax;
Logging Equipment Used in Harvesting
Timber

2. Bill Number: HB 1775

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would reclassify logging equipment used in the harvesting of timber to be in a separate class of tangible personal property.

As a result of this reclassification, localities would be authorized to impose a tangible personal property tax on logging equipment used in the harvesting of timber at a rate of tax and rate of assessment which does not exceed that applicable to the general class of tangible personal property in the locality.

The effective date of this bill is not specified.

6. Fiscal Impact Estimates are: Not Available (See Line 8).

7. Budget amendment necessary: No.

8. Fiscal implications:

This bill would have no impact on state revenues. Localities would experience a decrease in revenues to the extent that the tax rate and rate of assessment imposed on logging equipment used in the harvesting of timber is reduced below the tax rate and rate of assessment imposed on property in the general class of tangible personal property.

9. Specific agency or political subdivisions affected:

All Localities

10. Technical amendment necessary: No.

11. Other comments:

Logging equipment used in the harvesting of timber is currently classified in the general class of tangible personal property and localities are authorized to impose a tangible personal property tax on it at the same rate of tax and rate of assessment as imposed on property in the general class of tangible personal property.

Under current law, there is a separate classification for tangible personal property tax purposes for heavy construction machinery, including forest harvesting equipment .

cc: Secretary of Finance

Date: 1/13/01/JEM

Document: S:\2001leg\WorkInProgress\OTPwork\House Bills\HB1775F161.doc