

DEPARTMENT OF TAXATION

2003 Fiscal Impact Statement

1. **Patron** Parrish

2. **Bill Number** HB 1755

3. **Committee** Senate Finance

House of Origin:

 Introduced

 Substitute

 Engrossed

4. **Title** Retail Sales and Use Tax Exemptions: Extend the Sunset Dates for Certain Educational Nonprofit Organizations

Second House:

 X **In Committee**

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would extend to July 1, 2004, the sunset dates for certain educational related (§ 58.1-609.4) retail sales and use tax exemptions for various nonprofit organizations. The exemptions are scheduled to expire July 1, 2003.

6. **No Fiscal Impact:** (See Line 8.)

7. **Budget amendment necessary:** No.

8. Fiscal implications:

The value of the exemptions extended by this bill is estimated to be \$6.7 million (state: \$5.2 million; local: \$1.5 million) in FY 2004 and \$7.5 million (state: \$5.8 million; local: \$1.7 million) in FY 2005. This bill would not necessitate a budget amendment as the official budget estimates assume the extension of all these expiring exemptions. The administrative costs associated with this bill would be minimal.

9. Specific agency or political subdivisions affected:

Department of Taxation

10. **Technical amendment necessary:** None.

11. Other comments:

This bill would extend to July 1, 2004, the sunset dates for 31 retail sales and use tax exemptions in the educational group. The exemptions are scheduled to expire July 1, 2003.

Senate Bill 742 would extend to July 1, 2004, the sunset dates for certain retail sales and use tax exemptions for nonprofit organizations in the educational and medical-related groups.

House Bill 1754 would extend to July 1, 2004, the sunset dates for 30 retail sales and use tax exemptions in the medical-related group.

cc : Secretary of Finance

Date: 02/05/03 GRM

Document : S:\2003leg\WorkInProcess\OTPwork\House Bills\hb1755FE161.doc