

# DEPARTMENT OF TAXATION

## 2006 Fiscal Impact Statement

1. **Patron** Thomas D. Gear

2. **Bill Number** HB 1484

3. **Committee** House Finance

**House of Origin:**

  X   **Introduced**

      **Substitute**

      **Engrossed**

4. **Title** Retail Sales and Use Tax: Accelerates  
Expiration of the Accelerated Sales Tax  
Program

**Second House:**

      **In Committee**

      **Substitute**

      **Enrolled**

### 5. **Summary/Purpose:**

This bill would accelerate the expiration date of the accelerated sales tax payment program from August 1, 2006 to May 1, 2006.

This bill contains an emergency enactment clause that provides that this bill will be effective from its date of passage.

6. **Fiscal Impact Estimates are:** Tentative. (See Line 8.)

#### **Revenue Impact:**

<i><b>Fiscal Year</b></i>	<i><b>Dollars</b></i>	<i><b>Fund</b></i>
2005-06	(\$26.0 million)	GF

7. **Budget amendment necessary:** Yes

Item(s) : Page 1, Revenue Estimates

### 8. **Fiscal implications:**

#### Administrative Costs Impact

TAX will incur no administrative costs if this bill is passed.

#### Revenue Impact

Acceleration of the expiration of the accelerated sales tax payment program from August 1, 2006 to May 1, 2006, in effect, eliminates the accelerated sales tax payment for June 2006 that would result in a revenue loss of \$26 million for FY 2006.

9. **Specific agency or political subdivisions affected:**

Department of Taxation

**10. Technical amendment necessary: No.**

**11. Other comments:**

Current Accelerated Sales Tax Payment Program

The accelerated sales tax payment program requires registered sales and use tax dealers and direct payment permit holders with taxable sales of \$50 million or greater during the 12-month period beginning July 1, 2005 and ending June 30, 2006, to make a payment equal to 20 percent of the sales and use tax liability due for the previous June. This accelerated payment is due on June 20, 2006. The accelerated sales tax payment program is scheduled to expire on August 1, 2006, making the June 2006 payment the last payment of the program.

Proposal in this Bill

This bill would accelerate the expiration date of the accelerated sales tax payment program from August 1, 2006 to May 1, 2006, in effect, eliminating the June 2006 payment.

This bill contains an emergency enactment clause; therefore, this bill would become effective upon passage.

cc : Secretary of Finance

Date: 02/06/2006 WBS  
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