

DEPARTMENT OF TAXATION

2013 Fiscal Impact Statement

1. **Patron** Mark L. Keam

2. **Bill Number** HB 2132

3. **Committee** House Rules

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

4. **Title** Retail Sales and Use Tax; Requires
Expiration Date for New or Renewed Sales
Tax Exemptions

Second House:

 In Committee

 Substitute

 Enrolled

5. **Summary/Purpose:**

This bill would prohibit legislation that adds a new sales and use tax exemption or renews an existing sales and use tax exemption unless the bill contains an expiration date of not longer than five years from the effective date of the new or renewed exemption.

Under current law, General Assembly committees are precluded from reporting bills that add new or renew existing state tax credits unless the bill contains an expiration date of not longer than five years from the effective date of the new or renewed credit. There is no similar provision under current law with respect to sales and use tax exemptions.

The effective date of this bill is not specified.

6. **Budget amendment necessary:** No.

7. **No Fiscal Impact.** (See Line 8.)

8. **Fiscal implications:**

Administrative Costs

The Department considers implementation of this bill as “routine” and does not require additional funding.

Revenue Impact

This bill would have no revenue impact.

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

Department of Taxation

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

11. Other comments:

Proposal

This bill would prohibit legislation that adds a new sales and use tax exemption or renews an existing sales and use tax exemption unless the bill contains an expiration date of not longer than five years from the effective date of the new or renewed exemption.

The effective date of this bill is not specified.

cc : Secretary of Finance

Date: 1/29/2013 KP
DLAS File Name: HB2132F161