

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING TAXATION, AND, IN CONNECTION THEREWITH, NARROWING THE SCOPE OF THE HOME OFFICE INSURANCE PREMIUM TAX RATE REDUCTION AND THE ANNUITIES CONSIDERATION EXEMPTION FOR THE INSURANCE PREMIUM TAX; FOR PURPOSES OF THE PROPERTY TAX, REQUIRING THE ACTUAL VALUE OF REAL PROPERTY TO REFLECT THE VALUE OF THE FEE SIMPLE ESTATE AND REQUIRING PERSONAL PROPERTY TO BE BASED ON THE PROPERTY'S VALUE IN USE; INCREASING THE PER-SCHEDULE EXEMPTION FOR BUSINESS PERSONAL PROPERTY TAX AND REIMBURSING LOCAL GOVERNMENTS FOR THE LOST TAX REVENUE; FOR PURPOSES OF THE SALES AND USE TAX, CODIFYING THAT THE DEFINITION OF TANGIBLE PERSONAL PROPERTY INCLUDES DIGITAL GOODS AND SPECIFYING THAT THE TAX ON SALES AND PURCHASES OF TANGIBLE PERSONAL PROPERTY INCLUDES AMOUNTS CHARGED FOR MAINFRAME COMPUTER ACCESS, PHOTOCOPYING, AND PACKING AND CRATING; DISALLOWING THE SALES TAX VENDOR FEE FOR RETAILERS WITH A SUBSTANTIAL AMOUNT OF TAXABLE SALES DURING THE FILING PERIOD; FOR THE SEVERANCE TAX ON OIL AND GAS, REQUIRING THE NET-BACK DEDUCTIONS USED TO DETERMINE GROSS INCOME BE DIRECT COSTS ACTUALLY PAID BY THE TAXPAYER; AND PHASING-OUT TAX CREDITS AND EXEMPTIONS FOR THE SEVERANCE TAX ON COAL.

Prime Sponsors: Reps. Weissman and Sirota  
Sens. Hansen and Moreno

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**Appropriation Items of Note**

**Appropriation Required, Amendment in Packet**

**General Fund Impact**

**Fiscal Impact of Bill as Amended to Date**

The most recent Legislative Council Staff Fiscal Note (attached) reflects the fiscal impact of the bill as of 05/13/21.

<b>XXX</b>	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	<b>Update:</b> Fiscal impact has changed due to <i>new information or technical issues</i>
	<b>Update:</b> Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	<b>Non-Concurrence:</b> JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

The House Finance Committee Report (05/14/21) includes amendments to the bill, however, Legislative Council Staff and JBC Staff agree that the committee amendments do not change the

fiscal impact of the bill.

**Amendments in This Packet for Consideration by Appropriations Committee**

<b>Amendment</b>	<b>Description</b>
J.001	Staff-prepared appropriation amendment

**Current Appropriations Clause in Bill**

The bill requires but does not contain an appropriation clause.

**Description of Amendments in This Packet**

**J.001** Staff has prepared amendment **J.001** (attached) to add a provision appropriating a total of \$412,642 General Fund, including \$274,142 to the Department of Revenue and \$138,500 to the Department of Local Affairs for FY 2021-22. This provision also states that the appropriation is based on the assumption that the Department of Revenue will require an additional 1.3 FTE. The provision further appropriates \$138,500 reappropriated funds to the Governor's Office of Information Technology and \$512 to the Department of Personnel.

**Points to Consider**

*General Fund Impact*

The Joint Budget Committee has proposed a budget package for FY 2021-22 based on the March 2021 Legislative Council Staff revenue forecast. The budget package includes a set aside of \$48.0 million General Fund for bills that require General Fund appropriations for FY 2021-22. This bill is anticipated to increase General Fund revenues by a net \$113.4 to \$115.5 million, including a General Fund revenue increase of \$132.7 to \$134.8 million and General Fund expenditures of \$19.3 million, increasing the amount available for appropriation by the same amount.