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FISCAL IMPACT REPORT

SPONSOR: Marquardt DATE TYPED: 02/05/01 HB 374

SHORT TITLE: Tangible Personal Property Exemption SB _____

ANALYST: Williams

REVENUE

| Estimated Revenue | | Subsequent Years Impact | Recurring or Non-Rec | Fund Affected |
|-------------------|------|----------------------------|-------------------------|------------------|
| FY01 | FY02 | | | |
| | | See Narrative | | |

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files
Taxation and Revenue Department analysis not submitted

SUMMARY

Synopsis of Bill

The bill would exempt from property tax the personal property used, produced, manufactured, held for sale, leased or maintained for a person's profession, business or occupation. The person must have also claimed a federal income tax depreciation deduction on this property. The provisions would apply beginning tax year 2002.

FISCAL IMPLICATIONS

An analysis of this bill is not available from the Taxation and Revenue Department.

The fiscal impact of this legislation is expected to be small. If tangible personal property is no longer included in the property tax base, tax rates generally are expected to adjust. Thus, the tax burden shifts to other taxpayers. In a county where rates are already at a maximum and could not adjust, there may be some of revenue loss, which is expected to be small.

AW/ar