

.NOTE: As provided in LFC policy, this report is intended for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.

Only the most recent FIR version, excluding attachments, is available on the Intranet. Previously issued FIRs and attachments may be obtained from the LFC office in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR:	Smith	DATE TYPED:	02/05/00	HB	
SHORT TITLE:	Special County Hospital Gross Receipts Tax			SB	310
				ANALYST:	Eaton

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY00	FY01			
	\$ 223.1		Recurring	Luna County Ambulance /Luna County Clinic
	\$ 6.9		Recurring	TRD Admin. Fee

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

This bill updates the law to continue to allow Luna County to impose a "Special County Hospital Gross Receipts Tax" at a rate of one-eighth of one percent. The use of the tax revenue is revised (for Luna County only) to provide "for county ambulance transport costs or for operation of a rural health clinic".

Significant Issues

An imposition of this tax requires approval of the voters in the county, and the tax may be imposed for no more than 5 years before it must be reauthorized by the voters.

FISCAL IMPLICATIONS

The estimates impact of this bill may increase revenue by \$223.3 for Luna County.

The fiscal impact assumes a July 1, 2000 effective date for the tax imposition, which would require passage under an Emergency Clause and that an election be held almost immediately. The taxation and revenue department requires at least 90 days notice in advance to implement a newly-imposed tax or tax rate change, so a July 1, 2000 effective date would require voter approval and notification to the department during March, 2000. During the first fiscal year the county would receive accrued revenue attributable to 11 months, due to the one month lag for tax return filing.

A January, 2001 imposition would provide 5 months of accrued revenue during fiscal year 2000-2001, or about \$101.5 thousand for the county (after retention of administrative fees).

ADMINISTRATIVE IMPLICATIONS

A small impact on the TRD would result from setting-up the new tax program and revenue distribution procedures.

JE/njw