

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: HB1594**

**Bill Subtitle: TO CREATE A SALES TAX EXEMPTION FOR THE DISABLED AMERICAN VETERANS ORGANIZATION.**

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### Basic Change :

**Sponsors: Reps. Duffield, Painter, M. Berry, Richmond, Beaty Jr., Brown, Fortner, Haak, Hollowell, Lundstrum, Lynch, McGrew, Ray, Rye, Warren, Wooten, Barker, and Schulz; Sen. Flippo**

HB1594 amends § 26-52-401 to create a sales and use tax exemption for sales of tangible personal property, specified digital products, a digital code, or a service to the Disabled American Veterans Organization.

HB1594 is effective on the first day of the calendar quarter following the effective date of the act. For purposes of the revenue impact below, an effective date of October 1, 2023 is assumed.

### Revenue Impact :

#### **FY2024**

**Total Approximate State Sales and Use Tax Loss \$ - 1,000**

(Estimated Effective Date 10/1/23 --- 8 months reduced tax collection)

General Revenue - 4.5%	\$ - 671
Property Tax Relief - .5%	\$ - 75
Conservation Fund - .125%	\$ - 19
Educational Adequacy Fund - .875%	\$ - 130
Highway Fund - .5%	\$ - 77
Educational Excellence Trust Fund -	\$ - 0.00
Educational Adequacy (GR Transfer) -	\$ - 0.00
State Central Services -	\$ - 19
Constitutional Officers -	\$ - 9

**Total Approximate Local City and County Sales and Use Tax Loss \$ - 333**

#### **FY2025**

**Total Approximate State Sales and Use Tax Loss \$ - 1,500**

General Revenue - 4.5%	\$ - 903
Property Tax Relief - .5%	\$ - 112
Conservation Fund - .125%	\$ - 28
Educational Adequacy Fund - .875%	\$ - 196
Highway Fund - .5%	\$ - 115
Educational Excellence Trust Fund -	\$ - 95
Educational Adequacy (GR Transfer) -	\$ - 8
State Central Services -	\$ - 29
Constitutional Officers -	\$ - 14

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**Total Approximate Local City and County Sales and Use Tax Loss** **\$ - 500**

**Taxpayer Impact :**

The Disabled American Veterans Organization and its chapters would be exempt from sales and use tax on purchases made by the Organization.

**Resources Required :**

None.

**Time Required :**

Adequate time is provided for implementation.

**Procedural Changes :**

Updates to the Sales and Use Tax Rules will be promulgated.

**Other Comments :**

None.

**Legal Analysis :**

None.