

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1740

Bill Subtitle: TO CREATE A SALES AND USE TAX EXEMPTION FOR SALES TO THE YOUNG MEN'S CHRISTIAN ASSOCIATION.

Basic Change :

Sponsors: Reps. Warren and Cozart and Sen. M. McKee

HB1740 amends § 26-52-401 to provide a sales tax exemption for sales of tangible personal property, specified digital products, a digital code, or services to the Y, which is also known as the Young Men's Christian Association (YMCA). Under current law, there is no general sales or use tax exemption for sales made to the Y.

HB1740 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 \$ - 24,300

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

General Revenue - 4.5%	\$ - 16,302
Property Tax Relief - .5%	\$ - 1,811
Conservation Fund - .125%	\$ - 453
Educational Adequacy Fund - .875%	\$ - 3,170
Highway Fund - .5%	\$ - 1,869
Educational Excellence Trust Fund -	\$ - 0.00
Educational Adequacy (GR Transfer) -	\$ - 0.00
State Central Services -	\$ - 471
Constitutional Officers -	\$ - 224

Total Approximate Local City and County Sales and Use Tax Loss \$ - 8,100

FY2025

Total Approximate State Sales and Use Tax Loss \$ - 36,400

General Revenue - 4.5%	\$ - 21,910
Property Tax Relief - .5%	\$ - 2,713
Conservation Fund - .125%	\$ - 678
Educational Adequacy Fund - .875%	\$ - 4,748
Highway Fund - .5%	\$ - 2,800
Educational Excellence Trust Fund -	\$ - 2,305
Educational Adequacy (GR Transfer) -	\$ - 204
State Central Services -	\$ - 706
Constitutional Officers -	\$ - 336

Total Approximate Local City and County Sales and Use Tax Loss \$ - 12,133

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Taxpayer Impact :

Taxable sales of tangible personal property, services, specified digital products, or digital codes to the YMCA would be exempt from sales or use tax.

Resources Required :

None.

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

Updates to the sales and use tax rules will need to be promulgated.

Other Comments :

None.

Legal Analysis :

None.