

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7168

BILL NUMBER: HB 1360

DATE PREPARED: Jan 1, 1999

BILL AMENDED:

SUBJECT: Sales tax rebates on new manufacturing equipment.

FISCAL ANALYST: Jim Mundt

PHONE NUMBER: 232-9858

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill allows the Economic Development for a Growing Economy Board the option of providing sales tax rebates to purchasers of new manufacturing equipment under the Economic Development for a Growing Economy Tax Credit Program.

Effective Date: July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues: This bill would have an insignificant impact. Current sales tax law provides an exemption from the sales tax for the purchase of manufacturing equipment which is directly used in direct production. This would apply to almost all purchases of new manufacturing equipment. Since almost no sales tax would be paid on these purchases, almost no rebates could be provided.

Gross retail (sales) and use taxes are deposited in the State General Fund (59.2%), the Property Tax Replacement Fund (40%), the Public Mass Transportation Fund (0.76%), and the Industrial Rail Service Loan Fund (0.04%).

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Commerce; Economic Development for a Growing Economy Board; Department of State Revenue.

Local Agencies Affected:

Information Sources: