

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6734
BILL NUMBER: SB 140

DATE PREPARED: Dec 19, 1998
BILL AMENDED:

SUBJECT: Distribution of sales taxes.

FISCAL ANALYST: Jim Mundt
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FUNDS AFFECTED: **GENERAL**
 DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill reduces the percentage of sales tax paid into the State General Fund (GF) by one-tenth percent. It increases the percentage of sales tax deposited into the Industrial Rail Service Fund (IRSF) by one-tenth percent.

Effective Date: July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues: This bill reduces the percentage of sales tax dedicated to the State General Fund from 59.2% to 59.1%. It increases the percentage to the IRSF from 0.04% to 0.14%.

This bill will not impact the amount of sales tax collected, but will shift a portion of the tax currently dedicated to the GF to the IRSF. Based on FY 1998 collection figures and adjusting for growth with the annual factors of 5.7% to FY 1999 and 3.5% to FY 2000 used in the most recent revenue forecast, it is estimated that the shift will be approximately \$3.6 million in FY 2000, the first year of impact.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Transportation, Department of State Revenue.

Local Agencies Affected:

Information Sources: Revenue Trial Balance, FY 98; December 17, 1998 Revenue Forecast.