

BILL SUMMARY
1st Session of the 57th Legislature

Bill No.:	HB 2530
Version:	SAHB
Request Number:	NA
Author:	Rep. Blancett
Date:	5/1/2019
Impact:	Tax Commission:
	Revenue Decrease
	FY-20: \$5,000
	FY-21: \$9,000

Research Analysis

The senate amendments to HB2530 restores the title to the bill.

HB2530 provides a sales tax exemption on sales of personal property or services to or by an organization that is an official member of the Fab Lab Network. Qualified entities must be a tax exempt 501c3 organization, have a letter from the MIT Fab Foundation certifying compliance with the Fab Chapter and be able to provide documentation that their primary and principal purpose is to provide community access to advanced 21st century manufacturing and digital fabrication tools for science, technology, engineering, art and math learning skills.

Prepared By: Quyen Do

Fiscal Analysis

Analysis provided by the Tax Commission:

There is currently one known organization which could qualify for the proposed sales tax exemption. Information received from the entity indicates a FY 17 expenditure amount for tangible personal property and taxable services of \$176,075. Applying the state sales tax rate of 4.5% to the stated expenditure amount yields a decrease in state sales tax collections of \$7,923.

The measure proposes an effective date of November 1, 2019. Application of inflation rate adjustments of 2.5%, results in an estimated decrease in state sales tax collections of \$4,977 for FY 20¹ and \$8,746 for FY 21 (again applying a 2.5% inflation rate adjustment).

¹ Includes seven months of sales tax collections.

Prepared By: Mark Tygret

Other Considerations

None.

