

BILL SUMMARY
1st Session of the 59th Legislature

Bill No.:	HB1600
Version:	FULLPCS1
Request Number:	7307
Author:	Rep. Martinez
Date:	2/15/2023
Impact:	State Sales Tax Revenue Decreases
	FY-24: \$520,310
	FY-25: \$909,800

Research Analysis

The proposed committee substitute for HB1600 provides a sales tax exemption for machinery and equipment purchased for commercial cryptoasset mining until December 31, 2038. The mining must occur in a facility that is at least 50,000 square feet and has a load reduction agreement with its retail electric supplier. Eligible equipment includes, but is not limited to, servers, computers, racks, power distribution units, cabling, switchgears, transformers, substations, software, network equipment, and electricity.

Prepared By: Quyen Do

Fiscal Analysis

HB 1600 in its current form, provides a sales tax exemption for certain machinery and equipment for commercial mining of digital assets. The tax commission contends that the present technology used for such purposes likely falls within existing sales tax exemptions; however, HB 1600 would exempt certain related purchases of electricity, with an OTC estimated decrease to state sales tax revenues as follows:

FY-24: \$520,310
FY-25: \$909,800.

Prepared By: John McPhetridge, House Fiscal Staff

Other Considerations

None.