

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7549**

**BILL NUMBER:** HB 1708

**NOTE PREPARED:** Jan 11, 2003

**BILL AMENDED:**

**SUBJECT:** Sales Tax on Certain Motor Vehicles.

**FIRST AUTHOR:** Rep. Klinker

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill provides that certain transactions involving a new motor vehicle are exempt from the state Gross Retail Tax.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** This bill could have minimal impact on state Sales Tax revenue insofar as it specifies and clarifies the types of new car transactions are explicitly exempt from the Sales Tax. The transactions specified in the bill are currently exempt from the Sales Tax.

Sales Tax revenue is deposited in the Property Tax Replacement Fund (50%), the State General Fund (49.192%), the Public Mass Transportation Fund (0.635%), the Commuter Rail Service Fund (0.14%), and the Industrial Rail Service Loan Fund (0.033%).

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of State of Revenue; Bureau of Motor Vehicles.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** John Parkey, 317-232-9854