

FISCAL NOTE

May 16, 2019

Bill No:	SB 616	Printer's No:	711	Sponsor:	Hutchinson (R)
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COST / (SAVINGS)

Fund (s)	2018-19	2019-20
General Fund- Lost Revenue	See "FISCAL IMPACT"	\$6 million

SUMMARY: SB 616 amends the Tax Reform Code (TRC) to expand the term "exclusive use" related to the imposition of Sales and Use Tax (SUT).

ANALYSIS: SB 616 adds a provision to TRC clarifying that in determining whether personal property is for exclusive business use for a business located in a strategic development area, the Department shall include property, such as cellphones or computers, used by an employee outside of the workplace.

SB 616 takes effect immediately.

FISCAL IMPACT: If SB 616 is enacted, the expanded definition of "exclusive use" will lead to roughly \$6 million in annual forgone revenue from SUT.