

**Legislative
Fiscal Office**

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**Joint Committee on
Ways and Means**

Sen. Peter Courtney, Senate Co-Chair
Rep. Nancy Nathanson, House Co-Chair

Sen. Betsy Johnson, Senate Co-Vice Chair
Sen. Jackie Winters, Senate Co-Vice Chair
Rep. Dan Rayfield, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: General Government Subcommittee
From: Meg Bushman Reinhold, Legislative Fiscal Office
Date: February 26, 2018
Subject: HB 4139 – Relating to taxation of certain heavy equipment
Work Session Recommendations

This bill replaces the existing personal property tax system for heavy equipment held for rental with a two percent point-of-sale tax. Heavy equipment rental providers will file returns and remit the tax to the Department of Revenue quarterly. DOR will use up to 5% of the revenue for administrative costs and remit the remainder back to the counties.

DOR anticipates Other Fund Expenditures of \$670,820 for the 2017-19 biennium and \$692,843 for 2019-21. There is no expenditure impact anticipated for counties. The -A1 amendment includes the necessary Other Fund expenditure limitation for the Department of Revenue.

Recommended Changes

LFO recommends adoption of the -A2 amendment.

MOTION: I move adoption of the -A2 amendment to HB 4139. (VOTE)

Final Subcommittee Action

LFO recommends that HB 4139, as amended by the -A2 amendment, to be moved to the Ways and Means Full Committee.

MOTION: I move HB 4139, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____