

HB 4139 A STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Meg Bushman-Reinhold

Meeting Dates: 2/26, 3/1, 3/2

WHAT THE MEASURE DOES:

Replaces the existing personal property tax system for heavy equipment held for rental with a 2% point-of-sale tax. Heavy equipment rental providers will file returns and remit the tax to the Department of Revenue (DOR) quarterly. Each year, DOR will calculate costs as they would have been under the prior system and issue refunds or demand payment from taxed entities to ensure that no additional taxes are paid. DOR will use up to 5% of the revenue for administrative costs and remit the remainder back to the counties.

ISSUES DISCUSSED:

- Need to monitor any new statewide procurement system implementation

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

This measure aims to alleviate the problem of taxing heavy equipment and tools that frequently move among counties. This kind of tax is used in many other states for this type of equipment.