

SUBCOMMITTEE RECOMMENDATION

HB 4139

Relating to taxation of certain heavy equipment

HB 4139 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. The Department will use up to 5% of the revenue for administrative costs and remit the remainder back to the counties.

This bill addresses the problem of assessing and taxing equipment that is mobile and often may reside in a county other than the county of the owner on the date it is to be assessed. The Department will ensure that the monies paid with the point-of-sale tax are equal to what would have been paid under the prior system by issuing refunds or billing for amounts owed if the receipts differ.

The Capital Construction Subcommittee recommends HB 4139 be reported out do pass.