

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2016 REGULAR SESSION**

MEASURE

2016 BR NUMBER **0474**

HOUSE BILL NUMBER **112**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to tangible personal property used in the production of equine.**

SPONSOR **Representative M. Denham**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: _____

FUND(S) IMPACT: GENERAL ROAD FEDERAL RESTRICTED AGENCY _____ OTHER

FISCAL SUMMARY

FISCAL ESTIMATES	2015-2016	2016-2017	2017-2018	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES		(\$34,600,000)	(\$34,600,000)	
EXPENDITURES				
NET EFFECT		(\$34,600,000)	(\$34,600,000)	

() indicates a decrease/negative

MEASURE'S PURPOSE: This proposal, if enacted, would exempt the following from sales and use tax: feed and feed additives; seeds; commercial fertilizers; farm chemicals; farm machinery; water; fuels; and on-farm facilities used in the production of equine beginning August 1, 2016.

PROVISIONS/MECHANICS: Amends KRS 139.480 to exempt feed and feed additives, seeds, commercial fertilizers, farm chemicals, farm machinery, water, fuels, and on-farm facilities used in the production of equine from the sales and use tax; amends KRS 130.470 to conform; effective August 1, 2016.

FISCAL EXPLANATION: This proposal, if enacted, would have an estimated negative impact to the General Fund of (\$34,600,000) in FY 2016-2017 and (\$34,600,000) in FY 2017-2108. There is no fiscal impact in 2015-2016 as the exemption is not effective until August 1, 2016.

DATA SOURCE(S): **2012 Kentucky Equine Survey, 2012 Census of Agriculture, Perry Nutt, staff economist** **PREPARER:** **Charlotte T. Quarles** **NOTE NUMBER:** **61** **REVIEW:** **JRS** **DATE:** **2/4/2016**