

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

**MEASURE**

2016 BR NUMBER **1146**

**HOUSE** BILL NUMBER **233**

RESOLUTION NUMBER \_\_\_\_\_

AMENDMENT NUMBER \_\_\_\_\_

**SUBJECT/TITLE** **An ACT relating to charity auctions.**

**SPONSOR** **Representative Heath**

**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
<b>REVENUES</b>		(Indeterminable)	(Indeterminable)	(Indeterminable)
<b>EXPENDITURES</b>				
<b>NET EFFECT</b>		(Indeterminable)	(Indeterminable)	(Indeterminable)

( ) indicates a decrease/negative

**MEASURE'S PURPOSE:** The purpose of this bill is to exempt the gross receipts derived from a charity auction held by a nonprofit civic, governmental, or other nonprofit organization from the Kentucky sales and use tax if the total proceeds from the auction are designated and used for a specific charitable purpose. The exemption would be effective August 1, 2016 and would sunset July 30, 2020.

**PROVISIONS/MECHANICS:** KRS 139.496 is amended to exempt from sales and use tax gross receipts derived from a charity auction held by a nonprofit civic, governmental, or other nonprofit organization from the Kentucky sales and use tax if the total proceeds from the auction are designated and used for a specific charitable purpose.

**FISCAL EXPLANATION:** If this proposal is enacted, there will be no fiscal impact in FY 2015-2106 as the exemption is not effective until August 1, 2016. There will be a negative, but indeterminable, fiscal impact to the General Fund in FY 2016-2017 and FY 2017-2018, and each fiscal year thereafter depending on the number of charity auctions that would qualify and the amount of sales made at each charity auction.

**DATA SOURCE(S):** LRC staff

**PREPARER:** Charlotte T. Quarles **NOTE NUMBER:** 52 **REVIEW:** JRS **DATE:** 1/29/2016