

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2017 REGULAR SESSION**

**MEASURE**

2017 BR NUMBER **0156**

**SENATE** BILL NUMBER **41**

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

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

**SUBJECT/TITLE** **An ACT relating to a sales and use tax exemption for currency and bullion.**

**SPONSOR** **Senator J. Schickel**

**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	2016-2017	2017-2018	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES		(\$745,000)	(\$745,000)
EXPENDITURES			
NET EFFECT		(\$745,000)	(\$745,000)

( ) indicates a decrease/negative

**MEASURE'S PURPOSE:** SB 41, if enacted, would exempt the sale or purchase of bullion or currency from the sales and use tax if sold or purchased on or before July 1, 2017, but before July 1, 2021.

**PROVISIONS/MECHANICS:** KRS 139.480 is amended to exempt bullion and currency that is or has been used as legal tender. The exemption applies to sales or purchases made on or after July 1, 2017, but before July 1, 2021.

**FISCAL EXPLANATION:** This bill, if enacted, will have a negative impact to the General Fund of approximately \$745,000 for FY 2017-2018 and each subsequent fiscal year. There is no fiscal impact to the General Fund for FY 2016-2017 as the exemption is not effective until July 1, 2017.

Given the data contained in the 2012 Economic Census, it is estimated that coin, medals, and other numismatic sales in Kentucky are approximately \$12.42 million dollars. Therefore, the fiscal impact of exempting these items from Kentucky's sales and use tax would be approximately \$745,000 annually.

**DATA SOURCE(S):** **LRC staff, 2012 Economic Census**

**PREPARER:** **Charlotte Quarles** **NOTE NUMBER:** **21** **REVIEW:** **JRS** **DATE:** **1/27/2017**

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