Local Government Mandate Statement Kentucky Legislative Research Commission 2019 Regular Session

Part I: Measure Information

Bill Request #: 1507			
Bill #: SB 147 GA			
Document ID #: 5099			
Bill Subject/Title: An act relating to sales and use tax exemptions.			
Sponsor: McDaniel, Christian			
Unit of Government:	<u> </u>	x County x Consolidated Local	x Urban-County Unified Local x Government
Office(s) Impacted:			
Requirement: M	andatory Opti	onal	
Effect on Powers & Duties:	Modifies Existing _	Adds New Eli	iminates Existing

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

BILL PROVISIONS

This bill will exempt from sales and use tax, tangible personal property purchased by a construction contractor who is under contract with a local government agency or nonprofit educational institution to incorporate the tangible personal property into a structure or improvement to real estate.

ESTIMATED FISCAL IMPACT

Under current law, the construction contractor often passes the cost of the tax that he pays on his purchase price of the tangible personal property through to the local government entity or educational institution as part of the total construction costs. Therefore, this bill may result in savings to the local government entities in the form of lower construction costs. However, the amount of those savings are indeterminable.

Part III: Differences to Local Government Mandate Statement from Prior Versions

The LM statement to SB 147 GA is the same as the LM statement to SB 147 as introduced. No substitutes or amendments were adopted when the bill passed the Senate.

Data Source(s): Budget Review, LRC staff

Preparer: Katy Jenkins **Reviewer:** KHC **Date:** 2/26/19