

# FISCAL NOTE

**Bill #:** SB 494

**Title:** Revise retail telecommunications  
excise tax

**Primary**

**Sponsor:** John Cobb

**Status:** Enrolled Bill

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Sponsor signature

Date

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Chuck Swysgood, Budget Director

Date

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## Fiscal Summary

	<b><u>FY2002</u></b> <b><u>Difference</u></b>	<b><u>FY2003</u></b> <b><u>Difference</u></b>
<b>Revenue:</b>		
General Fund	\$1,496,762	\$2,000,000
<b>Net Impact on General Fund Balance:</b>	\$1,496,762	\$2,000,000

\* In addition there is a loss of \$1,800,000 general fund revenue in FY2001 to result in a net general fund revenue increase from SB494 of \$1,696,762

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<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached		X	Family Impact Form Attached

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## Fiscal Analysis

### ASSUMPTIONS:

1. This bill suspends the advanced telecommunications infrastructure tax credit for fiscal years 2002 and 2003. Credits that have already been granted for calendar 2001 would still be allowed, but no additional credits would be granted or taken until fiscal 2004. This would increase collections by \$1,496,762 in fiscal 2002 and \$2,000,000 in fiscal 2003.
2. This bill specifies that federal subscriber line charges and installation and activation charges are taxable, but only after June 30, 2001.
3. This bill would not have significant administrative impacts on the Department of Revenue.

(continued)

FISCAL IMPACT:

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
<u>Revenues:</u>		
General Fund (01)	\$1,496,762	\$2,000,000
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	\$1,496,762	\$2,000,000

\*In addition there is a loss of \$1,800,000 general fund revenue in FY2001.

LONG-RANGE IMPACTS:

Current law allows infrastructure investment credits of up to \$2 million each fiscal year. This bill suspends the credit for fiscal years 2002 and 2003. It would allow credits to be granted again for fiscal 2004.