

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

**MEASURE**

2017 BR NUMBER 0995

**HOUSE** BILL NUMBER 212

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

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

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

**SPONSOR** Representative Richard 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**

<b>FISCAL ESTIMATES</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>ANNUAL IMPACT AT FULL IMPLEMENTATION</b>
<b>REVENUES</b>		(Indeterminable)	(Indeterminable)
<b>EXPENDITURES</b>			
<b>NET EFFECT</b>		(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 July 1, 2017 and would sunset June 30, 2021.

**PROVISIONS/MECHANICS:** KRS 139.496 is amended to exempt from sales and use tax the gross receipts derived from a charity auction held by a nonprofit civic, governmental, or other nonprofit organization 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 2016-2017 as the exemption is not effective until July 1, 2017. There will be a negative, but indeterminable, fiscal impact to the General Fund in FY 2017-2018, FY 2018-2019, FY 2019-2020, and FY 2020-2021. The amount of the negative impact will depend on the number of charity auctions that qualify and the amount of sales made at each of those charity auctions.

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

**PREPARER:** Charlotte Quarles **NOTE NUMBER:** 43 **REVIEW:** JRS **DATE:** 2/16/2017

LRC 2017-BR0995-BR0995-HB212