

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 85

January 8, 2021

SUMMARY OF BILL: Defines terms related to and including “prepaid calling service”, “prepaid wireless calling service”, and “bundled transaction”. Removes certain streamlined sales tax provisions, set to go into effect July 1, 2021.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The definition changes and clarifications will streamline the language used across various states regarding sales and use taxes and will not significantly impact state or local tax revenue collections.
- The effective date of the streamlined sales tax agreement provisions has been historically extended by two years since the original enactment of Public Chapter 357 of the Public Acts of 2003 and the subsequent revision of the agreement by Public Chapter 959 of the Public Acts of 2004.
- The most recent extension was two years ago with Public Chapter 157 of the Public Acts of 2019.
- Deleting these streamlined sales tax agreement provisions permanently removes the fiscal impact originally estimated for the agreement (adjusted for subsequent tax changes, economic growth, and inflation), resulting in a significant fiscal impact on the state and local government that consists of unknown amounts of forgone revenue and cost avoidances for implementation. However, any impact on the current budgetary levels is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic".

Bojan Savic, Interim Executive Director

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