

Department of Revenue Fiscal Note

Bill Number: 5648SB	Title: Energy efficient appliances	Agency: 140-Department of Revenue
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Fund	FY2002	FY2003	2001-03	2003-05	2005-07
General Fund-State 01-Taxes01-Retail Sales Tax	(1,763,233)	(1,939,557)	(3,702,790)	(161,630)	
Total	\$(1,763,233)	\$(1,939,557)	\$(3,702,790)	\$(161,630)	

Estimated Expenditures from:

	FY2002	FY2003	2001-03	2003-05	2005-07
FTE Staff Years		0.8	0.4	0.8	0.8
Fund					
GF-STATE-State		46,600	46,600	79,000	78,800
Total		\$46,600	\$46,600	\$79,000	\$78,800

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternative ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rulemaking, complete Part V.

Legislative Contact:	Phone:	Date: 01/29/2001
Agency Preparation: Ray Philen	Phone: 570-6078	Date: 01/30/2001
Agency Approval: Don Taylor	Phone: 360-570-6083	Date: 01/30/2001
OFM Review: Tristan Wise	Phone: 360-902-0546	Date: 01/31/2001

PartII:NarrativeExplanation

II.A-BriefDescriptionOfWhatTheMeasureDoesThatHasFiscalImpact

Brieflydescribe,bysectionnumber,thesignificantprovisionsofthebill,andanyrelatedworkloadorpolicyassumptions,thathaverevenueor expenditureimpactontherespondingagency.

Providesasalesandusetaxexemptionforretailsalesoflighting,clotheswashers,anddishwashersthatmeetorexceedenergy efficiencyrequirementsdevelopedbytheU.S.DepartmentofEnergyandthathavereceivedanenergystarrating.

TheexemptionappliestopurchasesmadeaftertheeffectivedateofthislegislationandbeforeJuly1,2003.

II.B-CashreceiptsImpact

Brieflydescribeandquantifythecashreceiptsimpactofthelegislationontherespondingagency,identifyingthecashreceiptsprovisionsbysection numberandwhenappropriatethedetailoftherevenuesources.Brieflydescribetheactualbasisoftheassumptionsandthemethodbywhichthe cashreceiptsimpactisderived.Explainhowworkloadassumptionstranslateintoestimates.Distinguishbetweenonetimeandongoingfunctions.

ASSUMPTIONS/DATASOURCES

Itisassumedthattheterm"lighting"asusedinthebillreferstocompactfluorescentlights.

Itisassumedthattheexemptionappliestoitemsintendedforresidentialorcommercialuse.

ItisassumedthattheeffectivedateofthislegislationisMay1,2001.

AUDITASSESSMENTS(Impactresultingfromrecentauditactivity)

Thislegislationdoesnotresultfromauditactivity.

CURRENTLYREPORTINGTAXPAYERS(Impactfortaxpayerswhoareknownorestimatedtobecurrentlypayingthetaxin question)

TheestimatedsalesofeligibleEnergyStarrateditemsduringFY2002are:compactfluorescentlights,\$2.8million;clotheswashers, \$17.8million;anddishwashers,\$6.0million.

Thisbillwillresultinalossofgeneralfundrevenueof\$158,000infiscalyear2001andalossof\$1.8millioninfiscalyear2002.The impacttolocaljurisdictionrevenuesisalossof\$46,000infiscalyear2001andalossof\$515,000revenueinfiscalyear2002.

TAXPAYERSNOTCURRENTLYREPORTING(Althoughsometaxpayersmaynotnowbepayingthetaxinquestion,someofthem willbecomeawareoftheirliabilityinthefuture,asaresultofnormalenforcementactivitiesoreducationprogramsbytheDepartment. TheimpactforsuchtaxpayersisbasedontheDepartment'sstudiesofaveragetaxcompliance)

Notapplicable.

TOTALREVENUEIMPACT:

StateGovernment(cashbasis,\$000):

FY2001-	\$(158)
FY2002-	(1,763)
FY2003-	(1,939)
FY2004-	(161)

LocalGovernment,ifapplicable(cashbasis,\$000):

FY2001-	\$(46)
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FY2002- (515)
FY2003- (566)
FY2004 (46)

II.C-Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provision of the legislation that results in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumption translates into cost estimates. Distinguish between one-time and ongoing functions.

The Department will incur costs of approximately \$46,600 in FY2003 to implement this legislation. These costs include 0.75 FTE a Revenue Auditor 2 level. Additional audit time will be necessary to verify the application of the sales tax exemption to energy-efficient lighting, dishwashers, and clothes washers provided in this bill. Audit time will not be necessary until FY2003 because this will be the first full year after the exemption has commenced when auditors will be examining records for this exemption. Ongoing costs of \$79,000 per biennium until FY2008 will be necessary because although the exemption expires in July, 2003, the exemption will still be in the statutory audit period until that time.

Without an appropriation to cover the expenditure impact, the Department may not be able to fully implement this legislation.

Part III: Expenditure Detail

III.A-Expenditures By Object Or Purpose

	FY2002	FY2003	2001-03	2003-05	2005-07
FTE Staff Years		0.8	0.4	0.8	0.8
A-		27,900	27,900	55,800	55,800
B-		7,300	7,300	14,600	14,600
E-		4,200	4,200	8,400	8,400
G-		1,100	1,100		
J-		6,100	6,100	200	
Total:		\$46,600	\$46,600	\$79,000	\$78,800

III.B-FTE Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA.

Job Classification	Salary	FY2002	FY2003	2001-03	2003-05	2005-07
REVENUE AUDITOR 2	37,232		0.8	0.4	0.8	.8
Total			0.8	0.4	0.8	.8

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

Identify provision of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

None.