

FISCAL NOTE

April 8, 2019

Bill No:	HB 779	Printer's No:	851	Sponsor:	Hickernell (R)
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COST / (SAVINGS)

Fund (s)	2018-19	2019-20
General Fund- lost revenue	See "FISCAL IMPACT"	See "FISCAL IMPACT"

SUMMARY: HB 779 amends the Tax Reform Code to exempt any youth center food and beverage sale from the Sales and Use Tax (SUT).

ANALYSIS: This bill exempts food and beverage sales by a youth center from SUT. Currently, such transactions are taxed at the point of sale at a rate of 6 percent.

HB 779 defines a youth center as a fixed location used primarily for programs for individuals who are 19 years of age or younger, staffed primarily by volunteers, and designed to advance civil or moral objectives. The centers must also be a qualified 501(c)(3).

HB 779 takes effect immediately.

FISCAL IMPACT: The following table displays the revenue loss to the General Fund that HB 779 would cause. The minimum and maximum impact demonstrate the range of possible outcomes dependent on how many entities would ultimately be considered youth centers under this law.

Fiscal Year	Minimum Impact	Maximum Impact
2019-20	\$ 100,000	\$2,700,000
2020-21	\$ 300,000	\$6,900,000
2021-22	\$ 300,000	\$7,200,000
2022-23	\$ 300,000	\$7,500,000
2023-24	\$ 300,000	\$7,800,000

These figures were provided by the Department of Revenue.