

HCS HB 299 -- SALES TAX (Hoskins)

COMMITTEE OF ORIGIN: Standing Committee on Ways and Means

This bill requires the Department of Revenue to notify affected sellers when a change in the amount of sales tax due is modified by a decision of the department director, Administrative Hearing Commission, or a court that revises which items or services are taxable 90 days before the modification can take effect for the sellers. The notification can be by email or other similar secure electronic means. If the department fails to notify a seller of the change, the seller will not be liable for the additional taxes due under the modification until the seller is notified.

The bill authorizes a state and local sales and use tax exemption for motor vehicles, trailers, boats, or outboard motors owned and used by the following:

- (1) A not-for-profit civic, social, service, or fraternal organization in its civic or charitable functions and activities;
- (2) A private, not-for-profit elementary school, secondary school, or higher education institution in the conduct of its educational functions and activities; and
- (3) An elementary school, secondary school, or higher education institution in the conduct of its education functions and activities that are supported by public funds.

Any transfer of motor vehicles, trailers, boats, or outboard motors because of a corporate merger, liquidation, exchanges of stock or securities, capital contribution, purchasing a partnership interest, dividend distribution, or liquidation of partnership interest is also included in the exemption.