

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING AN ELECTRONIC SALES AND USE TAX SIMPLIFICATION SYSTEM, AND, IN CONNECTION THEREWITH, REQUIRING THE OFFICE OF INFORMATION TECHNOLOGY TO CONDUCT A SOURCING METHOD FOR THE DEVELOPMENT OF THE SYSTEM AND REQUIRING THE DEPARTMENT OF REVENUE TO ESTABLISH THE IMPLEMENTATION OF THE SYSTEM FOR THE ACCEPTANCE OF RETURNS AND PROCESSING OF PAYMENTS FOR THE SALES AND USE TAX LEVIED BY THE STATE AND ANY LOCAL TAXING JURISDICTIONS.

Prime Sponsors: Senator Williams A.  
Reps. Kraft-Tharp and Van Winkle

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**Fiscal Impact of Bill as Amended to Date**

The most recent Legislative Council Staff Revised Fiscal Note (attached) reflects the fiscal impact of the bill as of 03/05/19.

<b>XXX</b>	<b>No Change:</b> Attached LCS Fiscal Note accurately reflects the fiscal impact of the bill
	<b>Update:</b> Fiscal impact has changed due to <i>new information or technical issues</i>
	<b>Update:</b> Fiscal impact has changed due to <i>amendment adopted</i> after LCS Fiscal Note was prepared
	<b>Non-Concurrence:</b> JBC Staff and Legislative Council Staff disagree about the fiscal impact of the bill

**Amendments in This Packet for Consideration by Appropriations Committee**

Amendment	Description
None.	

**Current Appropriations Clause in Bill**

The bill, as amended by the House Finance Committee Report (02/11/19), includes an appropriation clause that appropriates \$9,183,000 cash funds from the newly created Electronic Sales and Use Tax Simplification System Cash Fund (Fund) to the Governor's Office of Information Technology (OIT) for FY 2019-20. This provision also appropriates \$817,000 cash funds from the Fund to the Department of Revenue for FY 2019-20 and reappropriates that amount to the OIT.

**Points to Consider**

*General Fund Impact*

The general appropriations bill for FY 2019-20 has not yet been introduced. This bill will reduce General Fund revenues by \$10,000,000 in FY 2019-20 and by \$8,750,000 in FY 2020-21, reducing

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the amount of General Fund available for other purposes. As stated in the Legislative Declaration in the bill, it is the bill sponsor's intention that the General Fund transfers included in the bill be paid from additional sales tax revenue received by the State as a result of the Supreme Court's *South Dakota v. Wayfair* decision.