

**FISCAL NOTE**

This bill would extend the sunset of the sales and use tax exemption for the repair, assembly, alteration or improvement of railroad rolling stock to July 1, 2026. This sales and use tax exemption is scheduled to sunset effective July 1, 2021 under current law.

The Department of Revenue estimates the revenue decrease resulting from the extension of this sunset at approximately \$1,254,000 per fiscal year. This estimate is based survey responses received for the Railroad Rolling Stock survey over the last five years (FY16-FY20). This revenue decrease is estimated to stay at the same level over the next three fiscal years (FY22-FY24).

The Department of Revenue estimates that 51 percent of this revenue decrease (\$640,000) would be borne by the General Fund, and that 49 percent of this revenue decrease (\$614,000) would be borne by local governments.