

**NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE FISCAL ESTIMATE**

BILL NUMBER: House Bill 1126 (Senate Comm. Sub., 3rd edition)
SHORT TITLE: No Sales Tax On Pay Phones

FISCAL IMPACT					
(\$ Million)					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>
REVENUES					
General Fund		(.8)	(1.9)	(2.0)	(2.1)
PRINCIPAL DEPARTMENT AFFECTED: The sales tax is collected by the Department of Revenue.					
EFFECTIVE DATE: January 1, 2000					

BILL SUMMARY: Exempts from the 3% gross receipts tax on utility gross receipts local phone calls made from a coin-operated phone.

ASSUMPTIONS AND METHODOLOGY: The estimated loss is based on reports filed with the N. C. Utilities Commission and sales tax collections on utility services recorded by the Department of Revenue. There is not an individual listing of the tax collected on the gross receipts from coin telephone services. The Department was able to make an inference from the available data which included sales tax receipts on customer-owned coin operated telephone services. The growth in the estimate is 6% a year.

FISCAL RESEARCH DIVISION (733-4910)

DATE: October 1, 1998

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October 1, 1998



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