

## STATEMENT OF PURPOSE

RS29639C1 / H0709

This legislation provides property tax relief to all property owners in Idaho. When the legislature created the “tax relief fund” (or the Wayfair account), online sales taxes collected were exempted from the normal sales tax revenue sharing formula with Cities, Counties and local taxing districts. This legislation will provide that 12% of online sales tax collections will be distributed 50% to the Cities and 50% to the counties. Of the 50% to the Cities and the 50% to the Counties, half of those distributions must be used for property tax relief. In 2024 the provision that excluded local taxing districts from receiving 11.5% of the online sales tax collections is set to expire. In an effort to provide property tax relief in 2023, \$50 million from general funds will be provided to the Cities and Counties of which 50% will have to be used for property tax relief. In 2024, the 12% of online sales tax collections will be divided 50% to Cities and 50% to the Counties and half of said funds must be used to reduce property taxes.

### FISCAL NOTE

This legislation will reduce the general fund by \$50 million dollars in 2023. In 2024, the sunset on the portion of online sales tax collections was set to expire so there will be no impact to the state general fund. In 2024, Cities and Counties will receive the 11.5% of online sales tax collections as already stipulated in code, but half of said funds will be used to offset property taxes. Idaho property tax payers will see a reduction in their property taxes equal to 5.75% of all online sales tax collections. In 2024 online sales tax collections is estimated to be approximately \$40 million.

#### Contact:

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**DISCLAIMER:** This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).