

**Fiscal Services Division
Legislative Services Agency
Fiscal Note**

HF 663 - Bingo Organization Tax Exemption (LSB 2264 HH)
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Fiscal Note Version - New
Requested by Representative Steve Lukan

Description

House File 663 exempts proceeds derived from bingo sales from the State sales and use tax if the sale is made by an organization exempt from federal taxation under Section 501(c) of the Internal Revenue Code (religious, charitable, educational, literary, etc., organizations).

Assumptions

1. Bingo sales by charitable organizations in Iowa during FY 2003 equaled \$29.0 million and will equal that amount in future fiscal years.
2. The State sales/use tax rate is 5.0%, and the average local option sales tax rate is 1.0%.

Fiscal Impact

The tax exemption in HF 663 will reduce General Fund revenues by \$1.45 million in FY 2006 and future fiscal years.

House File 663 will also reduce local option sales tax receipts by \$290,000 per year.

Source

Department of Inspections and Appeals

/s/ Holly M. Lyons

April 11, 2005

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
