

Impose sales tax on selected business services only

Description Under this proposal, selected business services would be made subject to sales and use tax. Providers of these services would be subject to the retailing B&O tax classification.

The selected business services added to the sales and use tax base include, but are not limited to:

- Accounting
 - Advertising
 - Architectural and engineering services
 - Computer related services
 - Employment services
 - Janitorial services
 - Legal services
 - Management consulting
 - Appraisal services
 - Others
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Current Law Providers of business services are taxable under the service classification of the business and occupation tax.

Revenue Impact

General Fund Impacts (\$ millions):

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
\$0	\$660.6	\$660.6

Notes:

- *The revenues estimated assume broad inclusion of business services. Any changes or limitations to included services may result in reduced revenues.*
 - *Estimates assume a July 1, 2012, effective date, representing 11 months of collections for FY 2013.*
 - *Estimates reflect the September 2011 Economic & Revenue Forecast Council revenue forecast.*
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Impose sales tax on selected business services only, Continued

**Expenditure
Impact**

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
\$287,300	\$3,092,000	\$3,379,300

Note: The expenditure estimates assume broad inclusion of business services. Any changes or limitations to included services could result in a change to expenditures.
