

# HOUSE RESEARCH

## Bill Summary

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**Subject:** Reduces the general sales tax rate to 5.5%

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### Overview

Reduces the general sales tax rate from 6.5% to 5.5%. This rate change applies to the motor vehicles sales tax (by reference) as well as the general sales tax. The reduction lowers the combined rate on motor vehicle rentals from 12.7% to 11.7%. The change has no impact on the 9.0 % tax on liquor and beer. Effective for sales after June 30, 2001.

### Section

- 1 **Generally (sales tax rate).** Reduces the general sales tax rate from 6.5% to 5.5%. Effective for sales and purchases after June 30, 2001.