

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 466  
**Version:** As amended by H0466A1

**DATE:** February 11, 2013

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**Subject:** Exempts certain purchases by local governments from the sales tax

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### Overview

Expands the sales tax exemption for governments to most purchases by cities and counties. Goods or services purchased by counties and cities to provide things generally provided by private businesses would remain taxable if they are taxable when purchased by a private business engaged in the same activity. This same exemption was extended to townships in the 2011 special session.

#### Section

- 1 Sales to government.** Expands the sales tax exemption for governments to city and county purchases of goods and services used in providing governmental services not in competition with the private sector. Inputs for activities also provided by the private sector remain taxable to the extent they are taxed when purchased by private businesses engaged in the same activities. The H0466A1 amendment clarifies that garbage, recycling, and similar services are “generally provided by a public business” but that government-run medical and dental clinics are not.

Effective for sales and purchases made after June 30, 2012.