

HOUSE RESEARCH

Bill Summary

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Subject: Dedication of short term motor vehicle lease sales tax revenue

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The bill would dedicate the extra 9.2 percent sales tax collected on short-term motor vehicle leases to funding the corridors of commerce program. Rentals of passenger cars, vans, and pickup trucks of 28 days or less are subject to this extra tax in addition to the 6.875 percent general sales tax. Currently this money is deposited in the general fund.

The corridors of commerce program was established by the legislature in 2013 to identify and fund capacity and freight movement projects on the state's trunk highway system. Since inception, a total of \$331.5 million has been appropriated for the program (through a combination of trunk highway bonding authorization and appropriations from the trunk highway fund).

Effective for leases entered into after June 30, 2017.