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Provides that the estimated amount of sales tax revenue collected on the sale and purchase of motor vehicle repair parts be transferred annually to the highway user tax distribution fund. Provides a definition of motor vehicle repair and replacement parts which includes tires and fluids that stay with the vehicle as part of the repair or maintenance.

For the first year (fiscal year 2019), the transfer will be \$300 million. In subsequent years the transfer will be a percentage of the total sales and use tax revenue from the 6.5 percent general tax, including penalties and interest, and reduced for refunds. The percentage of the total tax attributable to these sales will be calculated by the Department of Revenue every four years, starting with calendar year 2017 sales, based on national consumption data and adjusted for state consumption, using department consumption models.

Because the sales tax on motor vehicle repair parts are currently not remitted separately to revenue, and because the administrative costs to retailers to separately track and report tax on these items is considerable, the amount attributable to these sales will be estimated. This is similar to how the state statutorily dedicates a portion of the motor fuel taxes used in off-road vehicles to various natural resource funds, although in those instances the percentages are set and are not periodically re-estimated.

Effective July 1, 2018 with the first transfer occurring July 15, 2018.