

**HB 2038-S.E - DIGEST**

(AS OF HOUSE 2ND READING 4/24/13)

Invests in the education legacy trust account for K-12 basic education and higher education by: (1) Eliminating the preferential business and occupation tax rate for travel agents;

(2) Eliminating the sales and use tax exemption for bottled water;

(3) Converting the nonresident sales tax exemption into a refund process for state and local sales taxes;

(4) Modifying tax preferences for high-tech research and development;

(5) Eliminating the public utility tax deduction on interstate hauls;

(6) Narrowing business and occupation tax exemptions and sales and use tax exemptions for import commerce;

(7) Repealing the preferential business and occupation tax rate for sellers of prescription drugs; and

(8) Narrowing the use tax exemption for extracted fuel to biomass fuel.

Extends, permanently, the business and occupation surtax.

Requires the department of revenue to: (1) Estimate the increase in state general fund revenues from the changes made in certain parts of the act; and

(2) Notify the state treasurer of the increase.

Requires the state treasurer to transfer the aforementioned amount from the general fund to the education legacy trust account.

Excludes the general state revenues transferred to the education legacy trust account from the calculation of general state revenues.