

**HB 2038 - DIGEST**

(SUBSTITUTED FOR - SEE 1ST SUB)

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

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

(3) Repealing the nonresident sales and use tax exemption;

(4) Imposing sales tax on janitorial services;

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

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

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

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

(9) Narrowing the use tax exemption for extracted fuel to hog fuel.

Extends, permanently, the business and occupation surtax.

Extends and modifies the beer tax.

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 this amount.

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