



## HOUSE REPUBLICAN STAFF ANALYSIS

Bill:	House File 664	House Committee:	<b>PASSED</b> on 3/9/23 (24-0)
Committee:	Ways and Means	House Floor:	
Floor Manager:	Rep. Thompson, P.	Senate Floor:	
Date:	May 1, 2023	Governor:	
Staff:	Kristi Kious (2-5290)		

### Affiliate Rentals and Leases

- Exempts leases/rentals between affiliates from sales tax and the fee for new vehicle registration.
- Fiscal Note:

Table 2 — Fiscal Impact of House File 664  
(in millions)

	General Fund*	SAVE	LOST	RUTF
FY 2024	\$ -2.3	\$ -0.2	\$ -0.2	\$ -0.9
FY 2025	-2.3	-0.2	-0.2	-0.9
FY 2026	-2.3	-0.2	-0.2	-0.9
FY 2027	-2.4	-0.2	-0.2	-0.9
FY 2028	-2.4	-0.2	-0.2	-1.0

\*General Fund impact includes 100.0% of the rental excise tax decrease as rental excise tax receipts are not apportioned to SAVE.

### Section by Section Analysis

#### Section 1 – Fee for new registration (321.105A)

[New subparagraph] This section provides that when a vehicle is leased between affiliates, and the fee for new registration has been paid by the lessor prior to the lease—the lessee will not have to pay it again.

#### Section 2 – Exemptions (423.3)

[New subsection] This section provides that when a vehicle is leased between affiliates, and the sales tax has been paid by the lessor prior to the lease—the lessee will not have to pay it again.

#### Section 3 – Refunds

This section provides that refunds, interest, or penalties from January 1, 2015 – effective date are disallowed.

#### Section 4 – Effective date

This section provides that the bill is effective upon enactment.

#### Section 5 – Retroactive applicability

This section provides the bill applies retroactively to leases or rentals occurring on or after January 1, 2015.