



## DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington Street, S.W., Suite 4-114  
Atlanta, Georgia 30334-8400

Russell W. Hinton  
State Auditor  
(404) 656-2174

January 30, 2007

Honorable Larry O'Neal, Chairman  
House Ways and Means Committee  
State Capitol, Room 133  
Atlanta, Georgia 30334

SUBJECT: Fiscal Note  
House Bill 162 (LC 18 6055)

Dear Chairman O'Neal:

This bill exempts from the state sales tax the sale of tangible personal property used in direct connection with the construction of a performing arts amphitheater. An amphitheater, as defined in the bill, refers to a facility constructed after the effective date of bill, has costs in excess of \$30 million, and consists of more than 60,000 square feet of space. The bill applies to purchases occurring after May 31, 2007, and before July 1, 2008.

The Georgia State University Fiscal Research Center provided the following estimate of the revenue impact of this bill:

The estimate assumes that only one facility in the state would be eligible for the exemption specified in the legislation. It is assumed that the exemption does not apply to purchases of property used to maintain or upgrade existing performing arts centers.

Based on published estimates in the range of \$40 million of the expected cost of the facility, the revenue impact to the state from the loss of state sales tax revenue is estimated to be approximately \$2 million in fiscal year 2008. The revenue impact to the local governments from the loss of local sales tax revenue is estimated to be approximately \$1 million in fiscal year 2008. A negligible revenue effect is expected for fiscal year 2007 for both the state and local governments.

Sincerely,

/s/ Russell W. Hinton  
State Auditor

/s/ Shelley C. Nickel, Director  
Office of Planning and Budget