

FT-F

Resolution of the Taxation and Budget Reform Commission  
A resolution proposing the creation of a new section in  
Article VII of the State Constitution to provide for a  
review of services not subject to the tax on sales, use,  
and other transactions and the imposition of a tax on  
services not exempted.

Be It Resolved by the Taxation and Budget Reform Commission:

That the following creation of a new section in Article VII  
of the State Constitution is agreed to and shall be submitted to  
the electors of this state for approval or rejection at the next  
general election or at an earlier special election specifically  
authorized by law for that purpose:

ARTICLE VII

FINANCE AND TAXATION

REVIEW AND INCLUSION OF SERVICES WITHIN THE TAX BASE.--

(a) On or before January 1, 2010, the legislature shall  
commence a review of services not subject to the tax on sales,  
use, and other transactions. The review must include an  
evaluation of services not subject to tax and the identification  
of methods to facilitate administration and compliance with the  
application of the tax on sales, use, and other transactions to  
services.

(b) On July 1, 2012, all services not subject to the tax  
on sales, use, and other transactions shall be subject to the  
tax, unless subsection (c) applies.

(c) A service shall not be subject to the tax on sales,  
use, and other transactions, if prior or subsequent to July 1,

2012, the service is made exempt from the tax. Such exemptions must be created through a law addressing the single-subject matter of a single service identified by at least the first four digits of the applicable 2007 NAICS code number as described by the North American Classification System code published by the United States Census Bureau.

(d) Services exempted from the tax on sales, use, and other transactions after November 4, 2008 must advance one of the following state public purposes: encouraging economic development and competitiveness; supporting educational, governmental, religious, or charitable initiatives or institutions; or securing tax fairness by reducing or eliminating regressive tax burdens.

(e) This section shall expire January 1, 2015.

BE IT FURTHER RESOLVED that the following statement be placed on the ballot:

CONSTITUTIONAL AMENDMENT

ARTICLE VII

REVIEW AND INCLUSION OF SERVICES WITHIN THE TAX BASE.--This amendment to the State Constitution makes the sales tax apply to all services in 2012, except services made exempt. Narrowly defined services may be exempted by the Legislature singly. Services not subject to sales tax and implementations issues relating to this amendment must be reviewed by the Legislature by January 1, 2010. The amendment expires January 1, 2015.