

SB 170 (as amended) fiscal issues

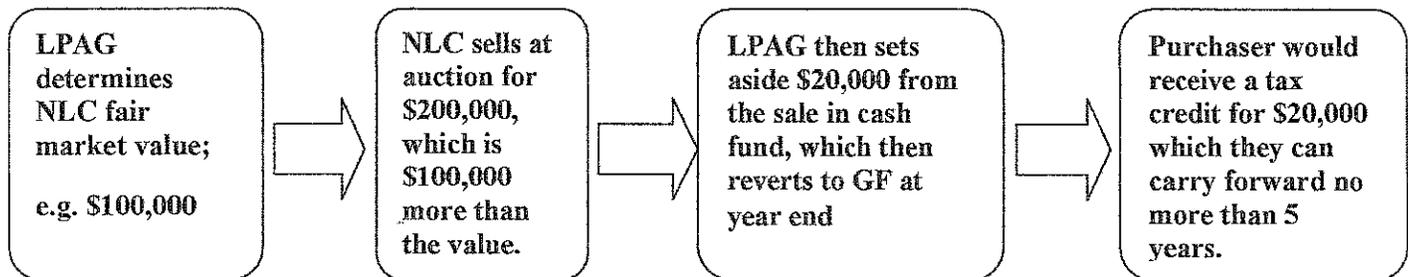
Allowing charitable tax deductions for purchases at the state level (we do not know what IRS will do, we are seeking approval), if it can be done without negative impact on the state coffers. We believe, as the consultants do, that this will result in people paying significantly higher purchase prices.

The amended bill allows a purchaser of a plate number/letter combination (NLC) to get a tax credit for 20% of the portion of the purchase that exceeds the market value of the NLC. The License Plate Auction Group determines fair market value.

The LPAG would set aside 20% of the sale price above what the LPAG has determined is fair market value in a separate account, which would then revert to the GF at year end.

This will also indemnify the state coffers should IRS grant tax deductible status, for amounts paid over the fair market value of the NLC.

Example;



Other Fiscal Issues;

Creating incentives for holders of currently issued valuable NLCs, to turn them in for auction, if it can be done without negative impact on state coffers. There are many valuable combinations currently issued.

Keeps the 5% cap on implementation/operating expenses. The group requests “up to 20%” for commissions for auctioneers. This will allow us to partner with non-profits to do specialty auctions (e.g. United Way to sell UW). If we must use a professional auctioneer they charge a commission. Sotheby’s auctions charge between 15% - 25%.

Increase spending authority – currently \$22K. Need spending authority increase to provide adequate spending authority to get going, current request is \$300K, and have possible funding sources to meet that need.