

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT**

LS 6770
BILL NUMBER: HB 1142

NOTE PREPARED: Dec 22, 2025
BILL AMENDED:

SUBJECT: Uniform Food and Beverage Tax.

FIRST AUTHOR: Rep. Karickhoff
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill creates uniform food and beverage tax authorization provisions for cities and counties that are not required or authorized to impose a food and beverage tax under any other food and beverage tax enabling statute. It specifies the food and beverage tax adoption procedure, maximum food and beverage tax rate, uses of revenue from a food and beverage tax, and the duration of the food and beverage tax.

Effective Date: July 1, 2026.

Explanation of State Expenditures: The uniform city and county food and beverage taxes would be collected and remitted to the Department of State Revenue (DOR) in the same manner as sales tax. The increased workload would depend on the number and size of the cities and counties that adopt the uniform food and beverage tax. The DOR should be able to implement the bill's requirements within existing levels of staff and resources.

Explanation of State Revenues:

Explanation of Local Expenditures: Cities and counties could potentially incur a one-time increase in costs if they hold additional public hearings to discuss a proposed ordinance to impose a food and beverage tax.

If a city or county imposes a food and beverage tax, the respective fiscal officer would establish a uniform food and beverage tax fund. All revenue from the tax would be deposited in this fund. Money in the fund may only be used for the purposes listed in the bill.

Explanation of Local Revenues: The revenues collected will depend on the following:

- The demand for food and beverages within a city or county that adopts the uniform tax.
- The rate that the city or county adopts.

Larger municipalities with many restaurants will likely receive a larger amount of tax revenue.

State Agencies Affected: DOR.

Local Agencies Affected: Counties and cities.

Information Sources:

Fiscal Analyst: Abdul Abdulkadri, 317-232-9852.