



FISCAL NOTE

House Bill 386

Committee: ENACTED

Sponsor: Representative Danny Garrett

Analyst: Riley Aaron

Date: 12/01/2025

House Bill 386 (act 2025-305) as enacted will decrease sales and use tax receipts to the following funds by the following estimated annual amounts, beginning in fiscal year 2026, by reducing the state sales and use tax rate on food from 3%, as set by current law, to 2% on September 1, 2025.

Fund	Estimated Annual Loss
Education Trust Fund	\$121.6 million
State General Fund	\$281,750
Total	\$121.9 million

This act could also decrease sales and use tax receipts to local governments by an undetermined amount, beginning in fiscal year 2026, dependent on any reduction by a county and municipal governing of its sales and use tax rate on food, regardless of any growth in the respective general fund of the local government, as provided by this act, that otherwise could not reduce its sales and use tax rate on food under current law.