

DEPARTMENT OF TAXATION

2026 Fiscal Impact Statement

1. **Patron** Atoosa Reaser

3. **Committee** House Finance

4. **Title** Tangible personal property; electric landscaping equipment.

2. **Bill Number** HB 557

House of Origin:

X **Introduced**

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 Enrolled

5. **Summary/Purpose:**

This bill would create a new class of tangible personal property for rate purposes. This class would include electric-powered landscaping equipment employed in a trade or business and used to maintain commercial, public, or private gardens, lawns, trees, shrubs, or other plants, including lawn mowers, edgers, trimmers, leaf blowers, and chainsaws. Localities would have the option to assign a rate of tax or rate of assessment to this class different from, but not higher than, the rate applicable to the general class of tangible personal property.

Under current law, electric-powered landscaping equipment is subject to the rate of taxation applicable to the general class of tangible personal property. Current law identifies 48 classes of tangible personal property to which localities may assign a rate of tax or rate of assessment different from the rates assigned to the general class of tangible personal property. The tax and assessment rates on 42 of these classes may not exceed that applicable to the general class of tangible personal property.

If enacted during the regular session of the 2026 General Assembly, this bill will become effective July 1, 2026.

6. **Budget amendment necessary:** No

7. **Fiscal Impact Estimates are:** Not available. (See Line 8.)

8. **Fiscal implications:**

Administrative Costs

This bill will have no impact on state administrative costs. This bill could result in administrative costs to localities that choose to apply different tax or assessment rates to the new class of property.

Revenue Impact

This bill will have no impact on state revenue. This bill could result in an unknown revenue impact to localities that choose to apply a different tax or assessment rate to this new class of property.

9. Specific agency or political subdivisions affected:

All localities

10. Technical amendment necessary: No

11. Other comments:

Classification for Rate Purposes

Currently, there are 48 categories of property that are separately classified for tangible personal property tax purposes and that may be taxed at different rates than other tangible personal property. Localities may elect to tax four specified categories at a rate that does not exceed the rate applicable to machinery and tools, must tax vehicles without motive power designed as manufactured homes at a rate equal to the rate applied to real property, and may tax 42 categories of tangible personal property at a rate that does not exceed the general rate imposed on tangible personal property.

Proposal

This bill would create a new class of tangible personal property for rate purposes. This class would include electric-powered landscaping equipment employed in a trade or business and used to maintain commercial, public, or private gardens, lawns, trees, shrubs, or other plants, including lawn mowers, edgers, trimmers, leaf blowers, and chainsaws. Localities would have the option to assign a rate of tax or rate of assessment to this class different from, but not higher than, the rate applicable to the general class of tangible personal property.

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cc : Secretary of Finance

Date: 01/19/2026 AB
HB557F161