



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 135** HLS 25RS 534
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 29, 2025 9:33 PM	Author: ECHOLS
Dept./Agy.: Revenue	Analyst: Mimi Blanchard
Subject: TAX/SALES-USE-EXEMPT	

TAX/SALES-USE-EXEMPT OR DECREASE GF RV See Note Page 1 of 1
 Provides relative to the sales and use tax exemption for certain institutions of higher education

Current law provides for state and local sales tax exemptions for the purchase, lease, or rental of items of tangible personal property or services by a regionally accredited independent institution of higher education which is a member of the La. Association of Independent Colleges and Universities if the purchase, lease, or rental is directly related to the educational mission of the institution.

Proposed law retains current law and expands this exemption to include the Edward Via College of Osteopathic Medicine (VCOM) in Monroe.

Effective July 1, 2025.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The bill will reduce state general fund revenue and likewise local sales tax revenue in any taxing jurisdiction in which the Edward Via College of Osteopathic Medicine (VCOM) makes taxable purchases.

VCOM is part of a multi-state system and is the only osteopathic medical school in Louisiana, operating in partnership with the University of Louisiana at Monroe (ULM). The system supports approximately 600 to 700 students at each of its campuses, and the Louisiana campus has reached its full capacity of approximately 600 active students as of FY 24, with the first graduating class in Spring 2024.

Campuses in the VCOM system reported average annual expenditures of approximately \$38,000 per student in 2022. Adjusted for inflation from 2022 to 2025, this figure increases to approximately \$43,700 per student. The potential magnitude of the revenue loss might be estimated by assuming arbitrarily that 20% of the institution's expenditures are subject to both the state sales and use tax rate of 5% and the local rate of 5.99% in Monroe, LA, leading to an estimated annual reductions of approximately \$260,000 in SGF and approximately \$300,000 in local revenue statewide beginning in FY26. Actual revenue decreases will depend on taxable spending patterns of VCOM.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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