

LEGISLATIVE FISCAL OFFICE
Fiscal Note

ACT 25

Fiscal Note On: **HB 236** HLS 16RS 329

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:



Date: May 17, 2016 4:51 PM	Author: THIBAUT
Dept./Agy.: Public Safety/Office of Motor Vehicles.	Analyst: Zachary Rau
Subject: Grace Period for Sales & Use Tax Remittances	

MOTOR VEHICLES

EN NO IMPACT See Note

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Provides grace period in order to pay certain taxes and fees related to motor vehicles for persons separating from active duty military service

Present law provides that owners of motor vehicles intended to be operated on public highways must obtain registration and pay associated registration or license taxes at the time of application. Proposed law provides that recently separated service members and/or their spouses will have a 90-day grace period upon separation from active duty to remit sales and use taxes on any vehicle purchased in a foreign jurisdiction to be registered in LA. Proposed law provides that vehicles must have valid and current plates from another jurisdiction and the owner of the vehicle has a form of financial responsibility specified in LA R.S. 32:861 in order to be eligible for the 90-day grace period. Proposed law further provides that penalties and interest will not accrue during the 90-day grace period. Proposed law provides that sales and use tax be remitted immediately if the vehicle registration and license plates issued in a foreign jurisdiction expire prior to or during the 90-day grace period.

EXPENDITURES	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>5 -YEAR TOTAL</u>
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
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Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. Proposed law lengthens the amount of time persons and/or their spouses who have recently separated from military service will have to remit the 2% sales and use tax on tangible personal property (motor vehicles) imposed by LA R.S. 47:302(A)(2). The proposed legislation creates a 90-day grace period for recently separated service members and/or their spouses to remit sales and use taxes. Penalties and interest will not accrue during this time. As a result, sales and use taxes will still be remitted in the same amount as provided by LA R.S. 47:302(A)(2), but may be delayed up to 90 days. The delayed remittances will occur to the extent service members ending active duty move to LA and must register their vehicles.

Senate Dual Referral Rules House

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| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |
|--|---|

Evan Brasseaux

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