

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 12** SLS 162ES 15

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> June 15, 2016	7:39 PM	<b>Author:</b> MORRELL
<b>Dept./Agy.:</b> Revenue		<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Subjects sales at public facilities to sales tax		

**TAX/TAXATION**

EG INCREASE GF RV See Note

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Provides for the modification of the sales and use tax exemption for domed stadium facilities, baseball facilities, and other publicly owned facilities. (Item #35)(gov sig)

Current law exempts from state and local sales tax sales at domed stadium facilities (Superdome/Arena), baseball facilities (Zephyr Field) and other public facilities, including owned property on which the facilities are located. Domed stadiums in parishes with populations between 185,000 and 250,000 (CajunDome) only has a state sales tax exemption. State sales tax is exempt at other publicly owned facilities if the local sales tax is also exempt, with the exception of trade shows. No sales tax is exempt for trade shows at which the sale of such good is the primary purpose.

Proposed law limits the exemptions at state or publicly owned domed stadiums, baseball facilities and other public facilities to those specified in the bill. Exemptions include admission, parking, sales, services or other transactions related to athletic contests, bid-upon events and events contracted prior to 4/1/16 (includes ticket sales from primary ticket market and secondary ticket market if sold through a nonprofit host). Additional items remaining exempt are team merchandise sold at a facility store, 50% of all other admission sales and facility tours. Trade shows are included with other taxable events so would now be subject to a 50% admission exemption. Effective for tax periods beginning on or after 4/1/16.

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

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

**EXPENDITURE EXPLANATION**

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

**REVENUE EXPLANATION**

The bill taxes 50% of admissions and all other sales related to events that do not fall in these categories: athletic contests, bid-upon events or those under contract prior to 4/1/16. Since most of these events were not previously taxed, any collections increase may be experienced slowly over time as compliance improves.

The value of the exemption for sales at public facilities may be reported in the "Other" category on the sales tax form and in the Tax Exemption Budget. To the extent that impacted transactions occur, state general fund and local revenue will increase. Also, 50% of trade show admissions would now be exempt, whereas these sales are currently not exempt, which may offset increased collections from other taxable events.

The magnitude of any such increase is not readily determinable, but the bill seems to apply to only a limited set of transactions at these facilities. The bill also removes the upper population restriction on domed arena facilities and lowers the seating requirement for professional baseball facilities, which could expand the R.S. 39:467 exemption to other facilities, including CenturyLink Arena in Shreveport. If that facility is currently taxable, this bill may provide a limited exemption from state sales tax but not local sales tax. Under R.S. 39:468, the public facilities exemption that CenturyLink Arena currently falls under, both the state and local exemptions may be impacted by the bill.

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

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