



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 31** SLS 17RS 200
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.: **REVISED**

Date: May 8, 2017	7:21 PM	Author: MORRELL
Dept./Agy.: REVENUE		Analyst: Benjamin Vincent
Subject: Sales Tax Exclusion: Gold, Silver, or Numismatic Coins		

TAX/SALES EG INCREASE GF RV See Note Page 1 of 1
 Specifies that gold, silver, or numismatic coins are excluded from the definition of tangible personal property for the purposes of sales tax only if they are sold at a trade show or are sold at a price of no more than one thousand dollars .

Current law provides that tangible personal property excludes gold, silver, or numismatic coins, and platinum, gold or silver bullion for the purposes of sales tax. This exclusion is partially suspended, and a 3% rate is imposed on these transactions until July 1, 2018, at which time these transactions will regain full exclusion.

Proposed law requires that only gold, silver, or numismatic coins with a sales price of no more than one thousand dollars or sold at a national, statewide, or multi-parish numismatic trade show or gold, silver, or platinum bullion will be excluded from the definition of tangible personal property.

Effective October 1, 2017.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	INCREASE	INCREASE	INCREASE	INCREASE	
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>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

Current law provides that sales of gold, silver, or numismatic coins and platinum, gold, or silver bullion are partially excluded from the definition of tangible personal property for the purposes of sales and use tax. A rate of 3% is imposed until July 1, 2018, at which time these purchases will be fully excluded.

Proposed law restricts the transactions to which the exclusion applies. Only gold, silver, or numismatic coins with a sales price of no more than one thousand dollars or sold at a national, statewide, or multi-parish numismatic trade show or gold, silver, or platinum bullion will be excluded from the tangible personal property definition.

For transactions to which the exclusion would no longer apply, this provision would increase the tax rate from 3% to 5% until July 1, 2018, at which time it would increase the rate imposed from 0% to 4%.

For transactions to which the exclusion would apply, the tax rate would be reduced from 3% to 0% beginning on October 1, 2017. The 0% rate imposed on these transactions beginning on July 1, 2018, as provided by current law, would not be impacted.

There is no readily available data on the subset of purchases to which the exclusion would no longer apply. In FY18, an unknown amount of taxable sales would become fully excluded, while an unknown amount would become fully taxable due to proposed law. Thus, the net revenue impact in FY18 is indeterminable.

In all other years, an unknown amount of transactions would become taxable while the rest remain fully exempt. Thus, the revenue impact will be a gain of unknown size.

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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