

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



Fiscal Note On: **HB 396** HLS 17RS 757  
 Bill Text Version: **REENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 25, 2017 4:34 PM	<b>Author:</b> DWIGHT
<b>Dept./Agy.:</b> REVENUE	<b>Analyst:</b> Benjamin Vincent
<b>Subject:</b> Sales & Use Tax Exemption: Gold, Silver, Numismatic Coins	

TAX/SALES-USE, ST-EXEMPT RE SEE FISC NOTE GF RV See Note Page 1 of 1  
 Provides for the effectiveness and applicability of the state sales and use tax exclusion for sales of gold, silver, or numismatic coins, and platinum, gold, or silver bullion

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, ingots, or bullion, numismatic coins with a sales price of no more than one thousand dollars, or numismatic coins sold at a national, statewide, or multi-parish numismatic trade shows will be excluded from the definition of tangible personal property.

Effective upon governor's signature. Exclusion and exemption provisions effective October 1, 2017.

<b>EXPENDITURES</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</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>\$0</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>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	UNKNOWN	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>						

**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 or ingots 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 would restrict the transactions to which the exclusion applies. Only gold, silver, or platinum coins, ingots, or bullion, numismatic coins with a sales price of no more than one thousand dollars, or numismatic coins sold at a national, statewide, or multi-parish numismatic trade show would 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%. These transactions are purchases of items with a price above \$1000 made outside of a trade show.

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. 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}

*Gregory V. Albrecht*  
**Gregory V. Albrecht**  
**Chief Economist**