



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: HB 56 HLS 17RS 517
Bill Text Version: ENROLLED
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Table with metadata: Date: June 8, 2017 6:35 PM; Author: PRICE; Dept./Agy.: West Ascension Parish Hospital Service District; Subject: Sales Tax; Analyst: Steven Kraemer

DISTRICTS/HOSPITAL SERVC EN DECREASE LF RV See Note Page 1 of 1
Provides relative to the West Ascension Parish Hospital Service District

Purpose of Bill: This bill reduces the maximum sales and use tax that the West Ascension Parish Hospital Service District may levy from 0.50% to 0.25%, subject to approval by voters of the district.

Table with 7 columns: EXPENDITURES, 2017-18, 2018-19, 2019-20, 2020-21, 2021-22, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total. Similar structure for REVENUES.

EXPENDITURE EXPLANATION

This bill may increase the expenditures of the West Ascension Parish Hospital Service District up to approximately \$15,600 for election costs related to obtaining voter approval to reduce the sales tax.

An official with the Louisiana Secretary of State's Office indicated that the cost of the election to the Hospital cannot be determined until the election date is set and other ballot items are known. If the proposition is held on a municipal date with no other items on the ballot, the Hospital will pay 100% of the cost (approximately \$15,600). If the proposition is placed on the ballot on the date of a congressional election, the Hospital will pay no more than 25% of the cost (approximately \$3,900).

REVENUE EXPLANATION

This bill may decrease the revenue of the West Ascension Parish Hospital Service District by up to approximately \$1.2 million annually due to a reduction of the sales tax rate. An official with the Ascension Parish Sales and Use Tax Authority indicated that this bill may decrease revenues of the Hospital by approximately \$1.2 million annually. This \$1.2 million decrease is based on this official's estimates that future sales tax collections for the Hospital at current sales tax rates will be approximately \$2.4 million, and the Hospital will lose half of this revenue due to the reduction of the tax rate. This official based estimates on increased economic activity that is expected to occur in the area as a result of the recently expanded fertilizer plant selling more fertilizer and hiring more people who will then spend money in the area.

However, it should be noted that an official with the Hospital expects the revenue decrease for the Hospital to be \$434,500.

Note: House Bill 57 of the 2017 Regular Session provides for a 0.25% sales tax for the West Ascension Parish Recreation Facilities District contingent, in part, on the Hospital's sales tax rate being reduced by 0.25% as provided for in this bill.

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}

Signature of Michael G. Battle
Michael G. Battle
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