

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 24** HLS 181ES 69
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.: **w/ PROP HSE COMM AMD**
 Sub. Bill For.:

Date: February 20, 2018 6:49 PM	Author: SMITH
Dept./Agy.: REVENUE	Analyst: Benjamin Vincent
Subject: Sales Tax: Holidays	

TAX/SALES-USE OR +\$820,000 GF RV See Note Page 1 of 1

Repeals the Annual Louisiana Sales Tax Holiday, the annual sales tax holiday for hurricane preparedness items or supplies, and the Annual Louisiana Second Amendment Weekend Holiday.

Current law provides that during the first weekend in August, the first \$2,500 of the sales price of tangible personal property shall not apply to any state or local sales & use tax. Current law provides that during the last weekend in May, the first \$1,500 of the sales prices of certain hurricane-preparedness items shall not apply to any state sales & use tax. Current law provides that during the first full weekend in September certain firearms, ammunition, hunting supplies and other items are shall not apply to any state or local sales & use tax.

Proposed law retains the August holiday, and repeals the May and September sales & use tax holidays.

Effective July 1, 2018.

EXPENDITURES	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0
REVENUES	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$820,000	\$820,000	\$820,000	\$820,000	\$820,000	\$4,100,000
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$30,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

Proposed law repeals the hurricane preparedness sales tax holiday in May and the Second Amendment Weekend sales tax holiday in September.

Based on reported sales and tax receipts, historical sales associated with the May and September sales tax holidays imply approximately \$460,000 in additional general sales tax revenue. Additionally, the exemption provided by the Second Amendment Weekend holiday on purchases of certain off-road vehicles will not be available during the remaining holiday, implying approximately \$360,000 in additional motor vehicle sales tax revenue.

Proposed law is expected to generate an estimate total revenue impact of \$0.8 million. Of this total, the Tourism Promotion District will collect a small amount, under \$6,000 per year, reflected as Ded./Other in the table above, and the state general fund will collect the balance.

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
Chief Economist