

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 444** SLS 18RS 95

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

REVISED

Date: March 19, 2018 1:07 PM	Author: WHITE, BODI
Dept./Agy.: Statewide and DOTD	Analyst: Alan M. Boxberger
Subject: Provides for dedication of motor vehicle sales tax to the TTF	

TAX/SALES OR -\$95,340,000 GF RV See Note Page 1 of 1
Provides for the dedication of sales tax on motor vehicles to the Transportation Trust Fund. (8/1/18)

Proposed law directs the state treasurer, beginning July 1, 2020, to deposit the following amounts of the state sales tax on the sale, use, lease or rental of motor vehicles into the Transportation Trust Fund (93% of deposits) and the Louisiana State Transportation Infrastructure Fund (7% of deposits) as follows: 20% of collections in FY 20, 40% of collections in FY 21, 60% of collections in FY 22, 80% of collections in FY 23 and 100% of collections beginning in FY 24 and thereafter. Proposed law provides for allocation of additional revenues flowing into the Transportation Trust Fund (TTF) and the Louisiana State Transportation Infrastructure Fund (LSTIF) to be used for certain purposes as defined in present law.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$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						
REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	(\$95,340,000)	(\$195,400,000)	(\$314,590,000)	(\$427,840,000)	(\$1,033,170,000)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$95,340,000	\$195,400,000	\$314,590,000	\$427,840,000	\$1,033,170,000
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

EXPENDITURE EXPLANATION

Proposed law would revise the flow of the state sales tax on the sale, use, lease or rental of motor vehicles into the Transportation Trust Fund (93% of deposits) and the Louisiana State Transportation Infrastructure Fund (7% of deposits) as follows: 20% of collections in FY 20, 40% of collections in FY 21, 60% of collections in FY 22, 80% of collections in FY 23 and 100% of collections beginning in FY 24 and thereafter. These monies currently are deposited into the SGF.

Of the funds deposited into the two statutory dedications, proposed law provides that funds be used in accordance with existing statute. The Transportation Trust Fund would receive 93% of new statutorily dedicated deposits, to be used as follows: 1) not less than thirty percent shall be dedicated to highway priority program projects classified as capacity projects, 2) twenty-five percent shall be used exclusively for port construction and development priority program projects as provided in Chapter 47 of Title 34 (R.S. 34:3451 through 3463), and 3) the remainder of the monies after compliance with 1 and 2 above shall be used exclusively for highway priority program projects (including but not limited to capacity). Such projects shall be specifically for state highway pavement and bridge sustainability in accordance with the Department of Transportation and Development definitions of such projects.

Monies deposited into the Louisiana State Infrastructure Fund (7% of affected state sales taxes) provide seed capital to finance the operation of the Transportation Infrastructure Bank as adopted in Act 431 of the 2015 Regular Session.

Public Safety Services reports it will incur nominal, one-time SGF expenditures in the range of \$5,500 for database programming changes.

REVENUE EXPLANATION

Proposed law would divert deposits of state sales taxes on the sale, use, lease or rental of motor vehicles from the SGF beginning in FY 20 into the Transportation Trust Fund (93%) and the Louisiana State Transportation Infrastructure Fund (7%). The transition shall follow a phased schedule: 20% of collections in FY 20, 40% of collections in FY 21, 60% of collections in FY 22, 80% of collections in FY 23 and 100% of collections beginning in FY 24 and thereafter.

The impact by fiscal year is estimated as follows:

	% Total Collections	SGF	TTF	LSTIF
FY 20*	20%	(\$95.34 M)	\$88.67 M	\$6.67 M
FY 21*	40%	(\$195.4 M)	\$181.7 M	\$13.7 M
FY 22*	60%	(\$314.6 M)	\$292.6 M	\$22.0 M
FY 23**	80%	(\$427.8 M)	\$397.9 M	\$29.9 M
FY 24**	100%	(\$545.5 M)	\$507.3 M	\$38.2 M

*For illustrative purposes in this fiscal note, the LFO assumes a 2% increase in state sales taxes on the lease or rental of motor vehicles compounded annually in comparison to actual collections in FY 17 totaling \$46,474,290. **The LFO utilizes the existing REC estimate for motor vehicle sales tax collections through FY 22 and assumes a 2% compounded growth in subsequent fiscal years.

Senate
 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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