

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 529** SLS 18RS 1876

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 8, 2018	3:52 PM	Author: APPEL
Dept./Agy.: TAX/SALES		Analyst: Benjamin Vincent
Subject: Direct Payment Numbers for Certain Nonprofit Subsidiaries		

TAX/SALES OR NO IMPACT GF RV See Note Page 1 of 1
Provides for direct payment of state and local sales tax due on purchases by certain nonprofit subsidiaries. (7/1/18)

Present law provides that purchasers may apply for Direct Pay (DP) numbers allowing them to remit sales and use taxes directly, instead of remitting them to their vendors, if they make purchases amounting to an average of \$5 million over a three year period. Private, nonprofit, tax-exempt organizations are included in this authorization.

Proposed law authorizes taxpayers that are subsidiary entities of a private, tax-exempt, nonprofit organization that otherwise meet DP requirements to obtain DP numbers from the Secretary of the LA Dept. of Revenue (LDR).

Effective July 1, 2018.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	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>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	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>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

Proposed law would allow a qualifying subsidiary entity of private, tax-exempt, nonprofit organizations to obtain a DP number. Obtaining a DP number would change the entity that would accrue, report, and remit the taxes owed from the subsidiary entity's vendors to the subsidiary entity itself. Total tax liabilities, and presumably payments, are unaffected.

No material revenue impact is anticipated, as proposed law does not impact the taxes owed by any affected taxpayers.

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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