



**OFFICE OF LEGISLATIVE AUDITOR  
Fiscal Note**

Fiscal Note On: **HB 686** HLS 18RS 178  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 10, 2018 5:40 PM	<b>Author:</b> CARTER, S.
<b>Dept./Agy.:</b> Municipalities, Parishes, and School Boards	<b>Analyst:</b> Steven Kraemer
<b>Subject:</b> Maximum Sales Tax Rate	

TAX/SALES-USE, LOCAL OR SEE FISC NOTE LF RV Page 1 of 1  
 Authorizes local taxing authorities to impose additional sales and use taxes pursuant to Article VI, Section 30(B) of the Louisiana Constitution

**Purpose of the Bill:** This bill removes the maximum limit on sales taxes that can be imposed by municipalities, parish governments, and school boards statewide.

Note: This bill does not remove the requirement that sales tax increases be approved by voters.

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	<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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

  

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.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
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Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

**This bill may increase local expenditures by an indeterminable amount related to election costs for obtaining voter approval for sales tax increases and for costs related to collecting taxes (e.g. system reprogramming). However, the impact will depend upon which entities decide to increase sales taxes and the timing and amount of these increases.**

An official with the Louisiana Secretary of State's Office indicated that the impact of this bill is indeterminable as the the Secretary of State doesn't have information regarding how many entities will call an election. However, this official indicated that the local government entity calling the election could see an increase in their expenditures for election costs.

To provide information on the potential impacts related to collection costs, we contacted an official with the Caddo-Shreveport Sales and Use Tax Commission. This official indicated that if the City of Shreveport were to increase its sales tax by 1%, the Commission's expenditures may increase by \$4,000 for system reprogramming. However, an official with the City indicated that the City currently has no plans to increase its sales tax rate.

**REVENUE EXPLANATION**

**This bill may increase local sales tax revenue by an indeterminable amount. However, the impact will depend upon which entities decide to increase sales taxes and the size and timing of such increases.**

Based on information from various local governments and associations, it appears that the impact of this bill is indeterminable and will depend on which governments increase sales taxes and the timing and amounts of these increases. However, in order to provide information on the potential impacts, we included the following information regarding a hypothetical 1% increase based on information obtained from our contacts:

- City of Baton Rouge - approximately \$55.3 million increase
- Parish of East Baton Rouge (Unincorporated) - approximately \$42.1 million increase
- City of Shreveport - approximately \$43.4 million increase
- East Baton Rouge Parish School Board - approximately \$89.8 million increase
- Natchitoches Parish School Board - approximately \$6.3 million increase

<p><u>Senate</u></p> <p><input type="checkbox"/> 13.5.1 &gt;= \$100,000 Annual Fiscal Cost {S&amp;H}</p> <p><input checked="" type="checkbox"/> 13.5.2 &gt;= \$500,000 Annual Tax or Fee Change {S&amp;H}</p>	<p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) &gt;= \$100,000 SGF Fiscal Cost {H &amp; S}</p> <p><input type="checkbox"/> 6.8(G) &gt;= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p>
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