

**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**



Fiscal Note On: **HB 584** HLS 19RS 969  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 5, 2019	1:46 PM	<b>Author:</b> HORTON
<b>Dept./Agy.:</b> REVENUE		<b>Analyst:</b> Benjamin Vincent
<b>Subject:</b> Sales Tax: 0.45% Levy Repeal		

TAX/SALES & USE OR -\$392,000,000 GF RV See Note Page 1 of 1  
 Repeal the .45% levy of state sales and use tax for the rate and base for state sales and use taxes

Present law applies a temporary state sales and use tax levy of 0.45% via R.S. 47:321.1, which contributes to a combined state sales and use tax rate of 4.45%. The levy is effective through June 30, 2025, at which time the state rate will be 4.0%

Proposed law repeals the 0.45% state sales and use tax levy in R.S. 47:321.1 in its entirety, resulting in a combined state rate of 4.0%

Effective July 1, 2019.

<b>EXPENDITURES</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	INCREASE	\$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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	(\$392,000,000)	(\$392,000,000)	(\$392,000,000)	(\$392,000,000)	(\$392,000,000)	<b>(\$1,960,000,000)</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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>(\$392,000,000)</b>	<b>(\$392,000,000)</b>	<b>(\$392,000,000)</b>	<b>(\$392,000,000)</b>	<b>(\$392,000,000)</b>	<b>(\$1,960,000,000)</b>

**EXPENDITURE EXPLANATION**

LDR anticipates that tax form redesign, in addition to IT system development, modification, and testing would be required to implement proposed law. A one-time expenditure of \$231,000, occurring in FY19, is reflected in the table above. Changes for the repeal would have to be made in relatively short period of time, given the effectiveness of the bill.

**REVENUE EXPLANATION**

Proposed law would fully repeal the temporary 0.45% levy in R.S. 47:321.1, bringing the combined state rate to 4%.

Based on the fiscal note for HB10 of the Third Extraordinary Session of 2018, which implemented the levy, proposed law would reduce general fund revenues by \$392 mil, for all years through FY25. After that, under current law, this bill would have no effect since the levy would expire anyway.

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