



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **HB 204** HLS 23RS 583  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 20, 2023	5:52 PM	<b>Author:</b> DEVILLIER
<b>Dept./Agy.:</b> Revenue		<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Repeals Constitutional Sales Tax Exemptions		

TAX/SALES-USE, ST-EXEMPT OR NO IMPACT GF RV See Note Page 1 of 1  
 Provides relative to the state sales and use tax exemptions for food for home consumption, residential utilities, and prescription drugs  
Current law provides that certain transactions are exempt from state sales and use tax levies. Residential utilities is statutorily exempt from state sales tax through June 30, 2025, by reference to the constitutional exemption. Prescription drugs and food for home consumption are statutorily exempt through June 30, 2025, by reference to the constitutional exemption and in the permanent exemption statute (R.S. 47:305(D)).

Proposed law adds residential utilities to the permanent exemption in R.S. 47:305(D) and replaces the constitutional reference for the temporary exemptions of prescription drugs, food for home consumption and residential utilities with the reference to the permanent exemption for all three exemptions. The bill is contingent upon HB 203, which removes the constitutional protection of the three exemptions. This bill insures that the three items remain exempt permanently through statute.  
 Contingent upon enactment and voter approval of HB 204 on October 14, 2023.

<b>EXPENDITURES</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>5 -YEAR TOTAL</b>
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	<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>\$0</b>

  

<b>REVENUES</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
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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>\$0</b>

**EXPENDITURE EXPLANATION**

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

**REVENUE EXPLANATION**

This bill places the constitutional exemptions for residential utilities, food for home consumption and prescription drugs into statute in the event the proposed constitutional amendment repealing the exemptions from the constitution is approved by voters on October 14, 2023. Since these items are currently exempt constitutionally and would remain exempt under this bill, there is no change to state general fund revenue.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Alan M. Boxberger*

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**Interim Legislative Fiscal Officer**