

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 658** HLS 26RS 1224

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

REVISED

Date: March 27, 2026 7:35 AM	Author: CARLSON
Dept./Agy.: Revenue	Analyst: Mimi Blanchard
Subject: Dept. of Revenue as a Centralized Sales Tax Collector	

TAX/SALES & USE

OR +\$10,674,073 SG EX See Note

Page 1 of 2

Provides for centralized collection of local sales and use taxes by the Dept. of Revenue

Current law authorizes the secretary of the Department of Revenue (LDR) to contract with local taxing authorities to collect and enforce the collection of local sales and use taxes. Local sales and use taxes are otherwise collected by a single collector or collection commission within each parish.

Proposed law requires that all sales and use taxes levied by local taxing authorities be collected by the secretary of LDR beginning in FY 28 and authorizes LDR to retain up to 0.5% of the taxes collected as compensation for providing collection services. Proposed law also requires local collectors to provide copies of local sales tax ordinances and notice of tax changes to the secretary and repeals certain provisions relating to parish collection commissions and other mechanisms for local collection of sales and use taxes, including funding mechanisms of such collections.

Effective July 1, 2027, contingent upon the passage of HB 620.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$10,674,073	\$8,176,795	\$8,437,701	\$8,707,054	\$8,985,140	\$44,980,763
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total		\$8,176,795	\$8,437,701	\$8,707,054	\$8,985,140	\$34,306,690

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$29,244,800	\$29,537,249	\$29,832,621	\$30,130,947	\$118,745,617
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	DECREASE	DECREASE	DECREASE	DECREASE	\$0
Annual Total	\$0					\$0

EXPENDITURE EXPLANATION

LDR reports that proposed law will result in an increase in expenditures of approximately \$10.7 M in FY 27 to develop, implement, and maintain the centralized collection system. This includes the addition of 73 positions (\$6.4 M in salary and related benefits) and \$4.25 M to the Office of Technology Services (OTS) for one-time development costs (\$3.5 M) and ongoing annual maintenance (\$750,000) of the program. SGF is anticipated to be required in FY 27 to the extent that current SGR budget authority does not cover these expenses, as the 0.5% retention would not go in effect until FY 28.

In FY 28 and beyond, LDR anticipates that additional SGR generated from the 0.5% retention of local sales and use tax collections will be sufficient to cover ongoing costs. Expenditures in these years will include annual market rate adjustments for personnel and continued OTS maintenance costs.

See continued expenditure explanation on page 2 for a full list of expenses from each division, including positions along with salary and related benefits.

REVENUE EXPLANATION

Proposed law will result in an increase in SGR for LDR of 0.5% of local sales and use tax collections, authorized by the bill to be annually collected as compensation for providing collection services.

For illustrative purposes, the Louisiana Association of Tax Administrators (LATA) reports that by applying a 1% annual growth rate to FY 25 sales tax collections for 62 parishes, revenues are estimated at \$29 M for FY 28, \$29.5 M for FY 29, \$29.8 M for FY 30, and \$30.1 M for FY 31. LATA's calculation excludes Motor Vehicle Sales Tax, Remote Seller Commission Distributions, and Consumer Use Tax, as these are collected by the state.

LDR reports that according to FY 23 local sales tax collections data from the Louisiana Legislative Auditor website, approximately \$4.8 B in collections for FY 23 would have resulted in approximately \$23.8 M SGR.

Proposed law will result in a decrease in local revenues. Local taxing authorities are authorized to retain a portion of local sales tax revenues to fund expenditures associated with tax collection, administration, and enforcement as authorized by R.S. 47:337.13 and R.S. 47:337.14, which are repealed in proposed law.

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

Alan M. Boxberger
Legislative Fiscal Officer



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 658** HLS 26RS 1224
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.: **REVISED**

Date: March 27, 2026 7:35 AM	Author: CARLSON
Dept./Agy.: Revenue	Analyst: Mimi Blanchard
Subject: Dept. of Revenue as a Centralized Sales Tax Collector	

CONTINUED EXPLANATION from page one:

CONTINUED REVENUE EXPLANATION

Position (#)	FY 27	FY 28	FY 29	FY 30	FY 31
Revenue Processing Center					
Revenue Tax Analyst (15)	\$1,022,833	\$1,053,518	\$1,085,123	\$1,117,677	\$1,151,207
Administrative Supervisor (1)	\$75,776	\$78,050	\$80,391	\$82,803	\$85,287
Revenue Tax Specialist (2)	\$186,633	\$192,232	\$197,999	\$209,939	\$210,057
IT Equipment Operator (1)	\$63,794	\$65,708	\$67,679	\$69,710	\$71,801
Collection Division					
Tax Officer Supervisor (3)	\$384,560	\$396,097	\$407,980	\$420,220	\$432,826
Tax Officer (25)	\$2,144,998	\$2,209,348	\$2,275,628	\$2,343,897	\$2,414,214
Management Consultant (2)	\$215,105	\$221,558	\$228,205	\$235,051	\$242,103
Financial Services Division					
Accountant 2 (1)	\$101,533	\$104,579	\$107,717	\$110,948	\$114,277
Customer Services Division					
Revenue Tax Analyst (6)	\$409,133	\$421,407	\$434,049	\$447,071	\$460,483
External Reporting Division					
Research Analyst (2)	\$256,374	\$264,065	\$271,987	\$280,146	\$288,551
Revenue Management Consultant (2)	\$215,105	\$221,558	\$228,205	\$235,051	\$242,103
Graphic Artist (1)	\$78,716	\$81,007	\$83,510	\$86,015	\$88,595
Sales Division					
Revenue Tax Specialist (8)	\$746,533	\$768,929	\$791,997	\$815,757	\$840,230
Tax Policy and Planning Division					
Attorney 1 (4)	\$522,980	\$538,669	\$554,829	\$571,474	\$588,619
Office of Technology Services (no positions)					
Initial Development	\$3,500,000	\$0	\$0	\$0	\$0
Maintenance	\$750,000	\$156,000	\$1,622,400	\$1,687,296	\$1,754,788

LATA reports that their expenditures will remain unchanged, as the bill continues to require local enforcement and reporting of local sales and use tax collections. Funding for such expenditures as authorized by R.S. 47:337.13 and R.S. 47:337.14 appear to be repealed in proposed law.

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}

Alan M. Boxberger
Alan M. Boxberger
Legislative Fiscal Officer