

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 418** HLS 13RS 684

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 17, 2013	7:00 PM	Author: EDWARDS
Dept./Agy.: Revenue		Analyst: Deborah Vivien
Subject: Removes exemption certification for some nonprofit events		

TAX/SALES & USE OR NO IMPACT GF RV See Note Page 1 of 1

Provides with respect to the state and local sales and use tax exemption for sales at certain events sponsored by nonprofit organizations

Current law provides a state and local sales tax exemption for on-sight sales of tangible personal property, admission and parking at events sponsored by certain nonprofit organizations. To qualify for the exemption, the nonprofit organization must obtain an exemption certificate from the Secretary of the Department of Revenue in advance of the event.

Proposed law allows nonprofits to avoid obtaining an exemption certificate on the first event of each quarter if the event is 7 days or less for events sponsored by domestic, civic, educational, historical, charitable, fraternal or religious organization with net proceeds used for similar nonprofit purposes. Domestic nonprofits that are exempt under Section 501(c)(3) do not have to obtain a certificate on the first event of each quarter if the event is no longer than 12 days, provides LA heritage, culture, crafts, etc., and the sponsor has contracted for production management and financing services for the event.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18	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	\$0	\$0	\$0	\$0	\$0	\$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

Since the qualifying events are exempt under current law and will still be exempt under this bill, there is no anticipated direct material effect on governmental revenues as a result of this measure. It seems unlikely that organizations holding these events are remitting tax as a result of not obtaining the currently available exemption certificate, and may now become aware of their exempt status. In addition, the Revenue Department can not identify organizations that may have been denied exempt status in the past (if any) that this bill would allow to hold future events without an exemption certificate.

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

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