

LEGISLATIVE FISCAL OFFICE
Fiscal Note



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

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 24, 2013	2:54 PM	Author: EDWARDS
Dept./Agy.: Revenue		Analyst: Deborah Vivien
Subject: Removes exemption certification for some nonprofit events		

TAX/SALES & USE

EG NO IMPACT GF RV See Note

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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 nonprofit organizations to obtain an annual exemption certificate to qualify for the exemption throughout the year at sponsored fundraising events. The events will be subject to compliance review.

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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$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.

Senate

Dual Referral Rules

House

- | | |
|---|--|
| <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} |

Gregory V. Albrecht
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