



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: HB 1087 HLS 14RS 1978
Bill Text Version: REENGROSSED
Opp. Chamb. Action: w/ SEN COMM AMD
Proposed Amd.:
Sub. Bill For.:

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TAX/LOCAL RE1 SEE FISC NOTE GF EX See Note Page 1 of 1
Authorizes the collector of certain taxing authorities to require the electronic filing and remittance of local sales and use taxes

Purpose of Bill: Authorizes, beginning January 1, 2015, the collector for each taxing authority to require the electronic filing and remittance of local sales and use tax by any taxpayer required to electronically file and remit state sales and use tax returns. Failure of a taxpayer to comply with the electronic filing requirements shall result in the collector for the taxing authority to assess a penalty.

Table of Expenditures: Columns for 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, and 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

Table of Revenues: Columns for 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, and 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

There may be an increase in state general fund expenditures. However, those costs will be absorbed by the existing budget allocation.

An official with the Louisiana Department of Revenue (Department) stated that per R.S. 47:337.23(F)(I) the Department operates a local electronic filing system, commonly called "parish e-file." This measure may cause an increase in usage of the parish e-file system. Because the parish e-file system is already in place and is capable of handling much more volume, this bill is not expected to have any effect on system costs.

However, it is estimated that three additional staff with a total annual cost of approximately \$150,000 may be needed to handle the potential increased volume of phone calls with questions on how to use the parish e-file system. Any expenditures necessary to implement this measure will be absorbed by the Department's existing budget allocation.

REVENUE EXPLANATION

There may be an indeterminate effect on government revenues as a result of this measure.

An official with the Louisiana Department of Revenue stated that since this bill does not affect the amount of tax, only the means of filing tax, it is not expected to affect state revenue.

An official with the Louisiana Association of Tax Administrators stated that there may be an indeterminable amount of local revenue increases, considering electronic remittances would decrease processing time and result in increased interest earned on deposited funds. In addition, there may also be an increase in revenues from penalties charged for noncompliance.

- Senate Dual Referral Rules House
13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}
6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}
6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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