

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 99** HLS 15RS 703

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 30, 2015 12:07 PM	Author: LEOPOLD
Dept./Agy.: Revenue	Analyst: Deborah Vivien
Subject: Exempt Construction Sales Tax for Plaquemines Recovery	

TAX/SALES-USE-EXEMPT OR -\$12,000 GF RV See Note Page 1 of 1
Creates an exemption from sales and use tax for construction materials purchased by the Committee for Plaquemines Recovery

Current law provides various state and local sales tax exemptions for construction materials for new and rehabilitated residential dwellings for non-profits and other groups, mostly related to disaster recovery.

Proposed law exempts all construction material purchases by the Committee for Plaquemines Recovery from state sales tax and provides the option to the appropriate taxing authorities to exempt local sales tax as well by passage of an ordinance or resolution.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	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	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	(\$12,000)	(\$12,000)	(\$12,000)	(\$12,000)	(\$12,000)	(\$60,000)
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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Any implementation costs will be absorbed in the current budget.

REVENUE EXPLANATION

Based on construction expenses provided by the Committee for Plaquemines Recovery, a reduction in SGF of about \$12,000 per year is expected. This bill will reduce state sales tax revenue by providing an exemption from state sales tax for all construction materials purchased by the Committee for Plaquemines Recovery. The optional exemption at the local level will also reduce local sales tax revenue to the extent that the exemption is adopted through ordinance or resolution, presumably in Plaquemines Parish, though the bill has no geographic limitation (Through R.S. 47:305.30, any taxing authority in Plaquemines Parish already has a local sales tax exemption option for anything exempt from state sales tax. Thus, a local impact is not necessarily due solely to this bill). To the extent that construction expenses for the Committee for Plaquemines Recovery increase beyond that experienced in 2014, the SGF reduction will be larger.

The Committee for Plaquemines Recovery includes public, private and faith-based funding used to provide disaster assistance to those impacted by storms in Plaquemines Parish.

Similar organizations with an exemption limited to construction materials used for new or rehabilitated residential dwellings include Habitat for Humanity, Make It Right Foundation, Fuller Center for Housing and the St. Bernard Project.

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & 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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