

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 12** HLS 15RS 174

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 2, 2015	2:08 PM	Author: BROWN, TERRY
Dept./Agy.: Revenue		
Subject: Grant Parish State Sales Tax on Room Rentals Dedication		Analyst: Deborah Vivien

FUNDS/FUNDING OR -\$5,000 GF RV See Note Page 1 of 1
Dedicates the proceeds of the state sales tax collected on hotel rooms in Grant Parish to the Grant Parish Economic Development Fund

Current law imposes a 3.97% statewide sales tax on hotel/motel rentals in the state (.03% is collected for the statewide Tourism Promotion District).

Proposed law creates the Grant Parish Economic Development Fund into which proceeds of the 3.97% state sales tax on hotel/motel room rentals generated within Grant parish will be deposited. Interest will be deposited to state general fund and unused funds will remain in the fund. Upon appropriation to the Grant Parish Police Jury, the fund will be used to promote tourism within the parish.

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	<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	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$25,000)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000
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. Any initiation costs of this measure will be absorbed in the existing budget.

REVENUE EXPLANATION

According to the Department of Revenue, it collects sales tax on room rentals from only one hotel in Grant Parish, and considers the remittance amount confidential. This bill will reduce state general fund receipts by some small amount and increase statutory dedications by the same amount, to the Grant Parish Economic Development Fund created by this bill. To the extent that additional hotels or motels become operational in Grant Parish, the amount of the impact will increase. For illustration purposes, the Legislative Fiscal Office assumes this small amount of general fund dedication is \$5,000 per year.

- 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 Rev. Red. to State {H & S}
 - 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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