

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 12** SLS 162ES 15
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ HSE FLOOR AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: June 20, 2016 4:43 PM	Author: MORRELL
Dept./Agy.: Revenue	Analyst: Deborah Vivien
Subject: Subjects sales at public facilities to sales tax	

TAX/TAXATION REF SEE FISC NOTE GF RV Page 1 of 1

Provides for the modification of the sales and use tax exemption for domed stadium facilities, baseball facilities, and other publicly owned facilities. (Item #35)(gov sig)

Current law (Act 25 of 2016 ES1) suspends exemptions from state and local sales tax sales at domed stadium facilities (Superdome/Arena), baseball facilities (Zephyr Field) and other public facilities, including owned property on which the facilities are located. Domed stadiums in parishes with populations between 185,000 and 250,000 (CajunDome) only has a state sales tax exemption. State sales tax is exempt at other publicly owned facilities if the local sales tax is also exempt, with the exception of trade shows. No sales tax is exempt for trade shows at which the sale of such good is the primary purpose. Rates of state sales tax on these transactions from 4/1/16 through 6/30/16 are 5% and through 6/30/18 are 3%. After 6/30/18, the exemptions are reinstated.

Proposed law specifically states that these exemptions are in effect, regardless of the language adopted in Act 25 of 2016 First Extraordinary Session which provided various taxation requirements. [House Floor Amendment HFASB12 422 268] Effective upon governor's signature.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	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	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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.

REVENUE EXPLANATION

These exemptions are currently suspended under recently enacted Act 25 of 2016 ES1, though some contractual arrangements contain provisions that appear to obligate the state to the exemption. Reinstating these exemptions for all facilities will decrease revenue to the extent that taxation would have applied under Act 25.

The value of the exemption for sales at public facilities may be reported in the "Other" category on the sales tax form and in the Tax Exemption Budget. To the extent that impacted transactions occur, state general fund and local revenue will be lower than would otherwise have occurred.

Senate Dual Referral Rules House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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