

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 127** HLS 17RS 77
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 11, 2017 5:21 PM	Author: BAGLEY
Dept./Agy.: REVENUE	Analyst: Benjamin Vincent
Subject: Sales Tax Exclusion: Coins & Bullion	

TAX/SALES-USE, ST-EXEMPT OR -\$400,000 GF RV See Note Page 1 of 1
 Fully exempts purchases of gold, silver, or numismatic coins, or platinum, gold, or silver bullion from the state sales tax.

Current law partially suspends a full state sales tax exemption on purchases of gold, silver, or numismatic coins, or platinum, gold, or silver bullion until 01 July 2018, at which time these transactions will become fully exempt. Current law imposes a 3% state sales tax rate on these transactions.

Proposed law fully exempts these specific transactions from the state sales tax as of June 1, 2017 (for FY18 and for the final month of FY17).

Effective June 1, 2017.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	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	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	(\$400,000)	\$0	\$0	\$0	\$0	(\$400,000)
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	(\$400,000)	\$0	\$0	\$0	\$0	(\$400,000)

EXPENDITURE EXPLANATION

LA Dept of Revenue (LDR) indicates some minor administrative costs will be incurred due to this proposal, due to necessary revisions to sales tax forms, LDR software, and the web filing software.

REVENUE EXPLANATION

The 3% tax that applies to purchases of gold, silver, or numismatics coins, and platinum, gold, or silver bullion was imposed by Acts 25 and 26 of the 2016 1st Extraordinary Session, prior to which these transactions were fully exempt. Current law provides that the 3% rate will apply until 01 July 2018, at which time these transactions will regain full exemption. Therefore, the proposed bill will have no effect on FY19 and later.

Based on sales data received since June 2016, LDR anticipates annualized sales of \$13.0M in FY17 for these items. Exempting the 3% of sales tax implies a revenue loss of \$400,000 for FY18. The proposed law would also reduce FY17 sales tax collections, as it would take effect on 01 June 2017.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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