



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 579** HLS 17RS 345
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

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Dept./Agy.: REVENUE	Analyst: Benjamin Vincent
Subject: Sales & Use Tax: Definitions, Exclusions, Exemptions	

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 Adds, removes, or expands several exemptions and exclusions, and establishes refunds for certain activities.

Current law provides a definition of taxable sales, and for numerous exemptions and exclusions from state sales and use tax.

Proposed law expands the items in the definition of "sale at retail" to include sales at vending machines and kiosks, repeals the definition of "business use" of feed and feed additives and expands the definition of "commercial use" to include purchases for maintaining race horses, expands the exemption for parish councils on aging to all taxing authorities and to cooperative organizations comprised of councils on aging, replaces the exclusion for sales of anthropogenic carbon dioxide for use in certain recovery projects with an exemption, replaces the exclusion for telecommunications services at coin-operated telephones with an exemption, and replaces the exclusion for eligible activities by certain manufacturers with a refund.

Effective August 1, 2017.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$350,000
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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$350,000

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	UNKNOWN	UNKNOWN	UNKNOWN	UNKNOWN	UNKNOWN	
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	UNKNOWN	UNKNOWN	UNKNOWN	UNKNOWN	UNKNOWN	
Annual Total						

EXPENDITURE EXPLANATION

In addition to programming, testing, and system development costs, LA Dept. of Revenue (LDR) reports that the administration of expected refund claims will require one additional Revenue Tax Specialist position to be filled. The expenditures impact above reflects that cost.

REVENUE EXPLANATION

Proposed law would impact state and local funds in various ways simultaneously. The net fiscal impact is unknown. The individual provisions are described below.

Current law provides that sales to dealers for resale through vending machines are taxed, while the subsequent sale at the vending machine is untaxed. Proposed law includes sales by a dealer through a vending machine or kiosk as taxable, and will capture some markup that is not captured by current law. This provision works to increase revenues by an unknown amount.

Current law exempts purchases of feed and feed additives for the purpose of sustaining animals which are held for business purposes, which includes sentry dogs and rental horses. Proposed law removes the exemption for animals used for business purposes, including the provision that currently includes race horses, and specifically adds race horses to the exemption for "commercial use." The feed & feed additive provision works to increase revenues by an unknown amount.

Current law exempts sales and purchases by parish councils on aging. Proposed law extends the exemption to groups of parish councils on aging, and to all local taxing authorities. This provision works to reduce revenues by an unknown amount.

Current law excludes sale or use of anthropogenic carbon dioxide in a qualified tertiary project approved by the LA Dept. of Natural Resources. Proposed law removes the exclusion and replaces it with an exemption of the same size. This provision appears to have no revenue impact.

Current law excludes telecommunication services at coin-operated public telephones. Proposed law removes the exclusion and replaces it with an exemption of the same size. This provision appears to have no revenue impact.

Current law excludes several purchases by wood and paper manufacturers and loggers. Proposed law repeals the exclusion and replaces it with a refund. This provision appears to have no revenue impact, other than some timing difference between taxes paid and refunds issued.

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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