

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 29** SLS 17RS 201
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 2, 2017 7:49 PM	Author: MORRELL
Dept./Agy.: REVENUE	Analyst: Benjamin Vincent
Subject: Sales Tax Exemption: Antique Airplanes	

TAX/SALES-USE, EXEMPT EG SEE FISC NOTE GF RV See Note Page 1 of 1
 Adds requirement for exemption of state sales & use tax for purchases of certain antique aircraft that aircraft be used to assist with medical transport.

Current law provides a state and local sales & use tax exemption for purchases of certain antique aircraft, and a personal property tax exemption for certain small aircraft held for personal use.

Proposed law retains the personal property exemption, and adds the requirement that the aircraft must be used to assist with medical transport in order to receive the sales & use tax exemption. It also redefines "antique airplane" as an airplane manufactured at least twenty-five years prior to the date of purchase.

Effective 01 July 2017.

EXPENDITURES	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>5 -YEAR TOTAL</u>
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	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>5 -YEAR TOTAL</u>
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

LA Dept. of Revenue (LDR) reports that expected costs due to the implementation of this modified exemption requirement are minimal.

REVENUE EXPLANATION

The Dept. of Revenue (LDR) indicates that no taxpayers reported sales qualifying as antique aircraft since LDR began attempting to capture the amounts of each exemption on the sales tax return in 2016. Also, the number of antique aircraft owners who would be unable or unwilling to assist with medical transport, and thus subject their qualifying aircraft to sales & use tax, is unknown.

The isolated or occasional sales provisions, which require no reporting to LDR and are not subject to sales & use tax, would likely apply to many purchases that qualify for this exemption. For transactions where isolated or occasional sales provisions apply, the qualification added by the proposed bill would not be a binding requirement for exemption from the sales & use tax. The number of purchases of antique aircraft that would be subject to isolated or occasional sales provisions is also unknown.

Given the lack of information about affected aircraft, an estimate of the potential revenue effect of the bill, if any, is not feasible. Local property taxes will not be impacted, as the proposed bill retains the current requirements for the personal property tax exemption.

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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