

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 26** HLS 181ES 92  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> February 19, 2018 7:57 PM	<b>Author:</b> DWIGHT
<b>Dept./Agy.:</b> REVENUE	
<b>Subject:</b> Sales Tax: Make part of temporary levy permanent	<b>Analyst:</b> Benjamin Vincent

TAX/SALES & USE OR +\$226,300,000 GF RV See Note Page 1 of 1  
 Makes 0.25% of the temporary levy in R.S. 47:321.1 permanent.

Current law subjects certain transactions to a levy of 1% via R.S. 47:321.1. This levy is scheduled to expire on June 30, 2018.

Proposed law provides that the temporary levy in R.S. 47:321.1 becomes permanent at a rate of 0.25% on July 1, 2018. The levy will apply to the same base of transactions that it applied to in FY17 and FY18.

Effective July 1, 2018.

EXPENDITURES	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</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	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
REVENUES	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$226,300,000	\$226,300,000	\$226,300,000	\$226,300,000	\$226,300,000	\$1,131,500,000
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
<b>Annual Total</b>	<b>\$226,300,000</b>	<b>\$226,300,000</b>	<b>\$226,300,000</b>	<b>\$226,300,000</b>	<b>\$226,300,000</b>	<b>\$1,131,500,000</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

**REVENUE EXPLANATION**

Proposed law makes the temporary levy in R.S. 47:321.1 permanent and reduces the rate to 0.25%, starting July 1, 2018. The total tax rate that transactions will be subject to in general will be 4.25%.

Based on sales tax collections reported by levy in FY17 as reported by LA Dept. of Revenue (LDR), proposed law will generate an estimated \$201.5 million in sales & use tax revenue from general sales. An additional \$24.8 million is anticipated from motor vehicle sales. The total estimated revenue impact of proposed law is \$226.3 million.

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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