



**OFFICE OF LEGISLATIVE AUDITOR  
Fiscal Note**

Fiscal Note On: **HB 96** HLS 18RS 491  
 Bill Text Version: **ENROLLED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

|  |          |                                    |
|--|----------|------------------------------------|
| <b>Date:</b> May 18, 2018                                    | 11:38 AM | <b>Author:</b> RICHARD             |
| <b>Dept./Agy.:</b> Lafourche Parish Sales Tax District No. 4 |          | <b>Analyst:</b> Elizabeth Caillier |
| <b>Subject:</b> Local sales tax                              |          |                                    |

TAX/SALES-USE, LOCAL EN +\$2,800,000 LF RV See Note Page 1 of 1  
 Provides relative to local sales taxes in Lafourche Parish

**Purpose of Bill:** Provides for the reinstatement of the levy to the full 1% tax rate authorized by the voters in 1986 which was reduced in 1996 to 7/10%. The increased tax rate may exceed the combined rate limit and shall not affect previously granted tax authority of any other local government entity.

| 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         | INCREASE       | \$0            | \$0            | \$0            | \$0            | \$0                  |
| <b>Annual Total</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.      | \$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            | \$2,723,856        | \$2,778,333        | \$2,833,890        | \$2,890,578        | \$11,226,657         |
| <b>Annual Total</b> | <b>\$0</b>     | <b>\$2,723,856</b> | <b>\$2,778,333</b> | <b>\$2,833,890</b> | <b>\$2,890,578</b> | <b>\$11,226,657</b>  |

**EXPENDITURE EXPLANATION**

**This measure may increase local governmental expenditures.**

**No Impact:** According to a representative from the parish, the solid waste programs and facilities operated at a deficit of \$2.4 million for 2017. The expected shortfall for fiscal year 2018 and beyond is estimated at \$2.6 million. The revenue generated from this measure will be used to continue operations of the solid waste management programs and facilities. Any excess in the fund will be used to cover future expenses.

**Potential Impact:** There may also be some local costs associated with voter approval of the additional sales tax, depending upon when the election is held. If held at a statewide election, costs could be \$26,500; if held at a municipal election, costs could be \$106,000.

**REVENUE EXPLANATION**

**This measure may increase local governmental revenues by approximately \$2,800,000 annually, pending voter approval.**

A representative of the Lafourche Parish Government provided that a sales and use tax increase of up to 0.3% would create an estimated increase of \$2,800,000 per year in sales tax revenue. Voters authorized a 1% sales tax in 1986. Effective Nov. 1, 1996, the parish council lowered the sales tax to 0.7%. This bill would allow the sales tax district to collect the full 1% authorized by the voters in 1986. Since voter approval is required, the representative anticipated that the earliest effective date would be January 1, 2019 if the voters approve the measure during the November 6, 2018 election.

This bill may also increase revenues to the Lafourche Parish School Board's Sales Tax Department as the department receives 0.9% of the collections as a collection cost, which is used to operate the Sales Tax Dept.

Note: The estimates in the revenue table include a 2% growth factor and are based on a January to December Fiscal Year.

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| <p><u>Senate</u></p> <p><input type="checkbox"/> 13.5.1 &gt;= \$100,000 Annual Fiscal Cost {S&amp;H}</p> <p><input checked="" type="checkbox"/> 13.5.2 &gt;= \$500,000 Annual Tax or Fee Change {S&amp;H}</p> | <p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) &gt;= \$100,000 SGF Fiscal Cost {H &amp; S}</p> <p><input type="checkbox"/> 6.8(G) &gt;= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p> |
|---|--|

**Michael G. Battle**  
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