	LEGISLATIVE FISCAL OFFICE Fiscal Note								
Louigana		Fiscal Note Or	: HB	414	HLS	19RS	910		
Legitative	Bill Text Version: REENGROSSED								
FiscaleOffice		Opp. Chamb. Action	:						
Harris		Proposed Amd	:						
		Sub. Bill For.	:						
Date: May 23, 2019	9:30 AM		Author: DAVIS						
Dept./Agy.: Revenue									
			Analyst	Ronian	nin Vin	cent			

Analyst: Benjamin Vincent **Subject:** Sales and Use Tax Dedications: Transportation Trust Fund RE -\$200,000,000 GF RV See Note FUNDS/FUNDING Page 1 of 1

Dedicates certain state sales and use tax revenues for deposit into the Construction Subfund of the Transportation Trust Fund

Proposed law dedicates general fund revenues from state sales and use taxes, as reported in the Comprehensive Annual Financial Report (CAFR), in excess of \$3.9 billion up to \$250 million, after exceeding that amount for two consecutive years, to the Construction Subfund of the Transportation Trust Fund.

Effective August 1, 2019.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	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>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0
REVENUES	2019-20	<u>2020-21</u>	2021-22	<u>2022-23</u>	<u>2023-24</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	(\$80,000,000)	(\$200,000,000)	(\$280,000,000)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	\$80,000,000	\$200,000,000	\$280,000,000
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>	<u>\$0</u>
Annual Total				\$0	\$0	\$0

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

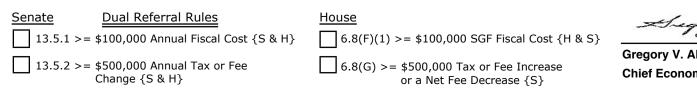
Proposed law would require the dedication of revenues in excess of \$3.9 billion from "General Revenues from Sales and Use Taxes" as reported in the CAFR, once this threshold is met for two consecutive years. Upon confirmation of meeting the threshold for the second consecutive year, collections in excess of \$3.9 billion from the prior year, not to exceed \$250 mil, would be deposited in the Construction Subfund on the first day of July following the notification of meeting the threshold, and for each fiscal year thereafter.

For FY18, CAFR General Revenues from Sales and Use Taxes amounted to approximately \$4.3 billion. This figure is analogous to the combined final audited revenues included under "Sales Tax - General" and "Vehicle Sales Tax" recognized by REC.

The apparent timing and revenue impact of proposed law under current REC projections is reflected in the table above. Current REC projections anticipate that CAFR General Sales and Use Tax revenues will exceed \$3.9 billion beginning in FY20.

If revenues increase as projected, notification of a \$80 mil excess would be required following the release of the FY21 CAFR, which would occur several months into FY22. A general fund reduction of \$80 mil, dedicated to the Construction Subfund, would occur on July 1, 2022, and thus impact FY23 revenues in this scenario. The impact in all years following would grow, up to \$250 million, to the extent that sales and use tax revenues grow in excess of the \$3.9 billion threshold.

For information purposes, anticipated sales and use tax revenues (including vehicle sales) is approximately \$3.90 billion in FY19, \$3.93 billion in FY20, \$3.98 billion in FY21, \$4.10 billion in FY22, and \$4.20 billion in FY23.



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