



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **SB 125** SLS 21RS 115
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 12, 2021 3:40 PM	Author: MORRIS, JAY
Dept./Agy.: Local	Analyst: Benjamin Vincent
Subject: Local Tax Exemptions: Certain	

TAX/LOCAL OR DECREASE LF RV See Note Page 1 of 1
 Exempts certain infused prescription drugs from local sales tax. (7/1/21)

Current law provides for optional exemptions from local sales and use taxes for certain prescription drugs, if the exemption is adopted by a local ordinance or resolution.

Proposed law creates a mandatory local sales and use tax exemption for certain infused prescription drugs when used exclusively for certain treatments at a physician's office.

Effective July 1, 2021.

EXPENDITURES	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</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>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</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	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Annual Total						

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

Proposed law exempts certain infused prescription drugs used to treat specific conditions by medical professionals in a physician's office where patients are not regularly kept for more than 24 hours. Proposed law specifies a list of 17 diseases and conditions for which the exemption is eligible.

Proposed law can only work to reduce local sales tax revenues by some indeterminable amount from what they would otherwise be. Information regarding the aggregate taxable value of these drugs/ procedures is not available. The revenue impact for any particular political subdivision will vary depending on the tax rate applied to these transactions in each subdivision, and the extent to which each subdivision currently exempts prescription drugs generally.

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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