

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



Fiscal Note On: **HB 562** HLS 21RS 1004  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

**Date:** April 25, 2021 3:41 PM **Author:** BOURRIAQUE  
**Dept./Agy.:** Uniform Local Sales Tax Board/Tax Appeals/Remote Sellers **Analyst:** Benjamin Vincent  
**Subject:** BTA Funding, ULSTB Membership & Duties

TAX APPEALS/BOARD OR SEE FISC NOTE GF RV Page 1 of 1  
 Provides relative to the Louisiana Uniform Local Sales Tax Board and the Louisiana Sales and Use Tax Commission for Remote Sellers

Proposed law relaxes provisions providing for the process and timelines for appointing members and leadership of the Uniform Local Sales Tax Board (ULSTB), and requires ULSTB to update its strategic plan every five years.  
Proposed law appears to require assent from local collectors for amounts within the existing limit of 0.3% of local motor vehicle sales and use tax collections to be disbursed to ULSTB.  
Proposed law alters the responsibility hierarchy for funding an annually-increasing BTA dedication in the event of insufficient local use tax collections. ULSTB currently bears initial responsibility and the Sales and Use Tax Commission for Remote Sellers (LSUTCRS) bears secondary responsibility, and proposed law would put LSUTCRS as primary and ULSTB secondary.  
Proposed law removes certain provisions in existing law regarding the duties and authorities of the Louisiana Law Institute. Effective August 1, 2021.

<b>EXPENDITURES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

No material expenditure requirement is anticipated due to proposed law.

**REVENUE EXPLANATION**

Provisions in proposed law that may result in state or local revenue impacts are limited to the provisions that alter the funding of the annually-increasing dedication to the BTA Local Division.

Present law provides that the dedication is funded via collections under the state and local use tax provisions in R.S. 47:302 (K), and in the event that these collections are insufficient, ULSTB shall pay any remaining amount required to satisfy the dedication. If both 302(K) collections and ULSTB collections are insufficient, LSUTCRS shall pay the amount required to satisfy the dedication. ULSTB is funded entirely via local motor vehicle sales tax collections, whereas LSUTCRS is funded by commingling state and local general sales tax collections. In the case of both ULSTB and LSUTCRS, funding is considered an expense that is taken prior to the calculation of net receipts, thus these costs are reflected as revenue reductions rather than appropriated spending.

LDR notes that 302(K) collections have historically been sufficient to fund the dedication, however as more and more dealers filling under 302(K) register as Remote Sellers, it is possible these conditions may not persist. It is likely that local motor vehicle tax collections will consistently be sufficient to fund the dedication, and that support from Remote Sellers collections would not be required. For information purposes, the dedication to the BTA Local Division was \$231,000 for FY21.

Proposed law requires LSUTCRS to satisfy the dedication first in the event that 302(K) collections are insufficient. This provision exposes state general fund collections to partially funding the BTA dedication in this event. To the extent that 302 (K) collections cease to be sufficient, proposed law may result in a reduction in state and local general sales tax collections, relative to only local motor vehicle tax collections.

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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