



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **SB 217** SLS 22RS 262  
 Bill Text Version: **ENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

**Date:** March 30, 2022 10:39 AM **Author:** JACKSON  
**Dept./Agy.:** Local Tax **Analyst:** Emily DiPalma  
**Subject:** Tax Exemptions, Edward Via College of Osteopathic Medicine

TAX EXEMPTIONS EG -\$200,000 LF RV See Note Page 1 of 1  
 Exempts the lease, rental, or purchase of tangible personal property or services by the Edward Via College of Osteopathic Medicine (VCOM) from local sales tax. (7/1/22)

Current law subjects certain services and purchases, leases, rentals of tangible personal property to a local sales and use tax at varying rates throughout the state depending on the taxing jurisdiction.

Proposed law excludes purchases by the Edward Via College of Osteopathic Medicine (VCOM) from the base of purchases that are taxable by local taxing jurisdictions.

Effective July 1, 2022.

EXPENDITURES	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>5 -YEAR TOTAL</u>
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>

  

REVENUES	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>5 -YEAR TOTAL</u>
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>(\$200,000)</u>	<u>(\$275,000)</u>	<u>(\$275,000)</u>	<u>(\$275,000)</u>	<u>(\$275,000)</u>	<b>(\$1,300,000)</b>
<b>Annual Total</b>	<b>(\$200,000)</b>	<b>(\$275,000)</b>	<b>(\$275,000)</b>	<b>(\$275,000)</b>	<b>(\$275,000)</b>	<b>(\$1,300,000)</b>

**EXPENDITURE EXPLANATION**

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

**REVENUE EXPLANATION**

The bill will reduce local sales tax revenue in any taxing jurisdiction in the state in which these transactions are currently taxable for one entity.

The Edward Via College of Osteopathic Medicine (VCOM) is part of a multi-state system but is the only such institution in the state, partnering with University of Louisiana at Monroe. The system currently supports approximately 600-700 students at each of its campuses in various states, and reports that it anticipates approximately 600 active students in Louisiana once it has reached the fourth year of operation.

The potential magnitude of the local revenue loss is estimated by assuming that 20% of the institution's expenditures are subject to the local sales and use tax rate of 5.99% in Monroe, LA. The campuses in this multi-state system average approximately \$38,000 in expenditures per student.

The institution's inaugural class was in Fall 2020 with 150 students. The table above assumes that the campus will add its intended class size of 150 students each year to meet its anticipated capacity of 600 students in FY24 and maintain that capacity in all subsequent years. Based on these assumptions, the estimated reduction in local revenue due to the exclusion is expected to be about \$200,000 in FY23 increasing to \$275,000 in FY24 and beyond.

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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**Deborah Vivien**  
 Chief Economist