



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **HB 1043** HLS 22RS 1332  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 20, 2022	11:41 AM	<b>Author:</b> SCHEXNAYDER
<b>Dept./Agy.:</b> Treasury / Revenue		
<b>Subject:</b> Louisiana Gas Tax Rebate		<b>Analyst:</b> Emily DiPalma

TAX/TAX REBATES OR +\$71,865,261 GF EX See Note Page 1 of 1  
 Establishes a rebate for certain Louisiana residents who paid state excise taxes levied on gasoline, diesel, and special fuels

Proposed law establishes a gas tax rebate equal to \$25 per private use passenger vehicle owned by an eligible applicant. Eligible rebate applicants are Louisiana residents who are required to file a Louisiana resident individual income tax return, who have paid state excise fuel tax and can provide documentation that the vehicle is current on state registration, license fees and mandatory liability insurance. Commercial vehicles and private electric or hybrid vehicles are excluded. The application and associated documentation will be submitted to the Department of Revenue who will work with the Office of Motor Vehicles (OMV) to verify eligibility. The period for applying for the rebate is October 1,2022 through December 31,2022.

Proposed law creates the Louisiana Gas Tax Rebate Fund as a special fund in the state treasury for the sole purpose of providing for gas tax rebates. The bill does not specify the source of monies to be deposited into the fund.

Effective upon signature by the governor.

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.	\$71,865,261	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	<b>\$71,865,261</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>\$71,865,261</b>					<b>\$71,865,261</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>\$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>

**EXPENDITURE EXPLANATION**

Since the bill does not specify the source of monies to be deposited into the Louisiana Gas Tax Rebate Fund, the fiscal note assumes the rebates are paid from the state general fund. Data from OMV indicates that there are 2,830,308 private passenger vehicles registered in the state. OMV is not able to verify if these vehicles are electric or hybrid. As maximum exposure, assuming that all 2,830,308 vehicles are eligible and claimed for the rebate at \$25, the total amount of rebates claimed would be approximately \$71.3 million. The period for rebate application indicates a one-time rebate and this expenditure would be incurred in FY23.

Additionally, the Department of Revenue would incur programming and system development costs due to the implementation of this program. The IT cost estimates are \$51,360 for system design and testing. LDR would require additional personnel of 5 Tax Analysts and 4 Revenue Tax Specialists to handle the extra customer service duties and application reviews. The personnel cost is estimated to be \$513,901, presumably for 1 year (FY23) since the rebate application window is 3 months (October 1, 2022-December 31, 2022) but could extend into subsequent years if clawbacks or data verification efforts are warranted. These combined expenditures equal \$565,261 in FY23 and, without a specified funding source in the bill, is assumed to be paid with state general fund.

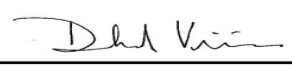
There are currently 436 special funds created in Treasury. Treasury staff must perform various functions for each fund, like the one created in this bill. One additional fund may not necessitate a new position, but if the number of funds created during the session become excessive, additional staff may be needed.

**REVENUE EXPLANATION**

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

Senate  
 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**