

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



Fiscal Note On: **HB 1018** HLS 22RS 2026

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 21, 2022	1:09 PM	<b>Author:</b> EDMONDS
<b>Dept./Agy.:</b> Revenue		<b>Analyst:</b> Emily DiPalma
<b>Subject:</b> Dedicates all 0.45% sales tax remittances		

FUNDS/FUNDING OR -\$426,900,000 GF RV See Note Page 1 of 1  
Establishes the Temporary Sales Tax Fund and provides for deposit of certain state sales tax revenue into the fund

Current law imposes a 0.45% state sales tax on general and vehicle sales that will expire on June 30, 2025. A portion of the vehicle sales tax from this imposition is dedicated to the Transportation Trust Fund - Construction Subfund (TTF-CSF) beginning in FY24 at 30% and 60% thereafter with an associated project list and revenue decline trigger.

Proposed law retains current law and creates the Temporary Sales Tax Fund and dedicates 100% of the avails of the temporary sales tax in FY23-FY25 to the fund. The fund has no enumerated uses in the bill.

Effective upon signature by the governor.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	SEE BELOW	SEE BELOW	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>			<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	(\$426,900,000)	(\$415,800,000)	(\$404,400,000)	\$0	\$0	(\$1,247,100,000)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$426,900,000	\$415,800,000	\$404,400,000	\$0	\$0	\$1,247,100,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

In FY 24 and FY 25, vehicle sales tax dedications to the TTF-Construction Subfund or TTF-CSF (R.S. 48:77) in the amounts of \$16.6M and \$32.9M, respectively, that would be deposited to the fund under current law will instead be deposited to the newly created Temporary Sales Tax Fund with this bill. Though the bill does not stipulate eligible uses for the new fund, there are also no prohibitions against using the funds in the same manner as the TTF-CSF.

Proposed law creates a marginal workload increase for the Departments of Treasury and Revenue, which can generally be absorbed within existing agency resources. However, to the extent that other legislative instruments are created with similar requirements, there may be additional expenses associated with the aggregate effort to administer these funds.

**REVENUE EXPLANATION**

The estimated tax collected from the 0.45% sales tax for general and vehicle sales is \$426.9M in FY23, \$432.1M in FY24, \$437.3M in FY25, per the FY22 Tax Exemption Budget and 1/11/22 REC forecast. A portion of the vehicle sales tax from the temporary tax is currently dedicated in R.S. 48:77 in the estimated amounts of \$16.3M in FY24 (30%) and \$32.9M (60%) in FY25. This bill redirects 100% of remittances from the 0.45% sales tax, including those from the state general fund and the TTF-CSF, into the newly created Temporary Sales Tax Fund.

In the Statutory Dedication line in the table, the net effect somewhat distorts the impact of the bill. A more detailed breakout is shown below where both state general fund and the TTF-CSF are decreased and the new Temporary Sales Tax Fund is increased:

	FY23	FY24	FY25
State General Fund	-426.9	-415.8	-404.4
TTF-CSF	0	-16.3	-32.9
Temporary Sales Tax Fund	426.9	432.1	437.3
<b>TOTAL Statutory Dedications</b>	<b>426.9</b>	<b>415.8</b>	<b>404.4</b>

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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