



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **SB 443** SLS 22RS 1227
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 27, 2022 8:25 AM **Author:** ALLAIN
Dept./Agy.: Revenue **Analyst:** Deborah Vivien
Subject: Authorizes the state to issue a local DP Number

TAX/SALES EG NO IMPACT GF RV See Note Page 1 of 1
 Provides for direct payment of state and local sales tax on purchases by certain taxpayers. (1/1/23)

Current law authorizes the Department of Revenue to certify and issue a Direct Payment (DP) Number, which allows certain eligible taxpayers to make purchases without paying state and local sales and use tax but remit the amount due directly to the appropriate sales tax collector. Eligibility requirements are \$5M in annual taxable purchases by manufacturers, private nonprofits and certain medical subsidiaries (\$10M in taxable purchases) or by LED contract. A local tax collector has the authority to approve the issuance of the DP Number for local sales tax collections after an LDR request, normally prompted by an entity's request for a state DP Number.

Proposed law retains current law and authorizes the state to issue a DP Number for collection of local sales tax for manufacturers or non-profits if a local collector does not respond to a DP Number request within 60 days. The local collector maintains the ability to approve or deny a DP number for local sales tax. This bill is only allows for automatic approval if a local collector does not respond to a DP number request within 60 days.

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	\$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>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

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	\$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>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

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

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

<p><u>Senate</u></p> <p><input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}</p> <p><input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}</p>	<p><u>Dual Referral Rules</u></p>	<p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}</p> <p><input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p>	<p><i>Alan M. Boxberger</i></p> <hr/> <p>Alan M. Boxberger Interim Legislative Fiscal Officer</p>
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