

LEGISLATIVE FISCAL OFFICE
Fiscal Note



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

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 3, 2022	11:47 AM	Author: EDMONDS
Dept./Agy.: Revenue		Analyst: Emily DiPalma
Subject: Dedicates all 0.45% sales tax remittances		

FUNDS/FUNDING EG -\$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 Sub fund (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 containing the avails of the temporary sales tax excluding the dedications pursuant to R.S. 48:77 (vehicle sales tax dedication to TTF Construction Subfund) in FY23-FY25. The bill also creates 4 subfunds dedicated to certain transportation projects specified in the bill including 30% up to \$100 M to the Lake Charles Bridge Sub fund, 50% up to \$166.7 M to the Baton Rouge Bridge Sub fund, and 20% up to \$66.7 M to the I-49 Projects Sub fund. Once the maximum deposits are reached for these 3 specific subfunds, any additional avails shall be deposited into the Non-Federal Eligible Highway Program Sub fund (rural roads).
Effective on July 1, 2022

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

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

EXPENDITURE EXPLANATION

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.

The bill specifies uses of the dedicated funds to the Lake Charles Bridge (30% to \$100 M), Baton Rouge Bridge (50% to \$166.7 M) and I-49 (20% to \$66.7 M) with any remainder flowing to the Non-federal Eligible Highway Program (rural roads). Using the current revenue estimate, the 3 specific projects will reach their full allocations in FY 23 with the remaining \$93.5 M flowing to the rural roads. In FY24 and FY25, all of the funds or \$820.2 M will be deposited to the rural roads subfund.

In summary, the bill is estimated to fund the following (million):

Lake Charles Bridge	\$100.0
Baton Rouge Bridge	\$166.7
I-49 Project	\$66.7
Rural Roads	\$914.7
TOTAL	\$1,247.1

REVENUE EXPLANATION

The bill will reduce state general fund and increase statutory dedications (Temporary Sales Tax Fund created by this bill) by the amount of the 0.45% general and vehicle sales tax less the vehicle sales tax dedication to the TTF Construction Subfund. Per the FY22 Tax Exemption Budget and 1/11/22 REC forecast, the estimated impact is \$426.9 M in FY23, \$415.8 M in FY24, \$404.4 M in FY25, which is reflected in the table above.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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