

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 558** HLS 23RS 821

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 23, 2023	1:25 PM	Author: BEAULLIEU
Dept./Agy.: LDR/Uniform Local Sales Tax Board		Analyst: Deborah Vivien
Subject:		

REVENUE DEPARTMENT

OR SEE FISC NOTE GF EX

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Provides for the collection and remittance of state and local sales and use taxes

Current law directs the Department of Revenue to provide the capability of paying state and/or local sales tax through an electronic form available through a website (the Parish E-file system). Current law funds the Uniform Local Sales Tax Board with up to 0.3% of local sales tax on motor vehicle sales that is essentially donated for that purpose by participating locals.

Proposed law replaces LDR with the Uniform Local Sales Tax Board to provide the electronic filing of state and/or local sales tax. Proposed law indicates that the board will fund the long-term operation and maintenance of the site through current collections of local motor vehicle sales tax. However, initiation costs appear to be shared with the state in an unspecified manner for up to 24 months.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	INCREASE	INCREASE	\$0	\$0	\$0	\$0
Annual Total						

REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
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Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

The bill transfers the design, implementation, maintenance and supervision of a more functional online tax collection system to replace the Parish E-file system, which electronically accepts state and local sales tax remittances, from the Department of Revenue (LDR) to the Uniform Local Sales Tax Board (the board). The cost of initializing the system is to be shared between the parishes and the state, though the bill does not stipulate the proportions for each.

The state funds the existing Parish E-file system at \$570,000 per year, which does not appear to be transferred to the new replacement system by the bill. According to the bill, the state will only contribute to the replacement system for 24 months. It is not clear what will occur if the replacement system is not fully functional within 24 months. In the absence of the state's recurring funding of \$570,000, it is not clear if existing board revenue will be sufficient to accommodate on-going operating and/or maintenance expenses of the new system.

LDR is currently funded through self-generated revenue. If the recurring appropriation for Parish E-file is no longer necessary, SGR expenditures will decrease. If the appropriation is transferred from LDR to the board to fund the new system, there is no impact to state expenditures.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. The bill does not change sales tax liabilities in any way but addresses the mechanism through which those taxes are paid.

LDR is currently funded through self-generated revenue. Revenue from certain fees and above a certain amount revert to the state general fund. If recurring expenses for Parish E-file are reduced or eliminated, SGF revenue may increase. If the Parish E-file funds are transferred by LDR to the board, there will be no change in state revenue.

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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