



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **SB 500** SLS 24RS 596
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 3, 2024	3:32 PM	Author: REESE
Dept./Agy.: LA Gaming Control Board & Local Taxes		Analyst: Noah O'Dell
Subject: Local Taxes on Non-gaming Incentives & Inducements		

TAX/TAXATION RE SEE FISC NOTE See Note Page 1 of 1
 Provides relative to the levy of local fees and taxes on certain non-gaming incentives or inducements granted by certain licensees. (gov sig)
Current law provides for the levying of local sales and use tax upon certain tangible personal property (TPP) and services as a percentage of the transaction value, including a valuation for considerations other than cash. Taxable items and services may include food, beverages, admission to entertainment, hotel stays, and parking among many. Current law provides exceptions for the land-based casino in New Orleans and the Southwest LA Convention and Visitors Bureau (SLCVB) by establishing the valuation of certain gratis or discounted inducements for purposes of taxation.
Proposed law retains current law in regard to local sales tax exceptions for SLCVB and the land-based casino in New Orleans. Proposed law specifies that local sales and use tax on certain complimentary incentive or inducements are to be paid on actual transaction or use value. Proposed law prohibits local sales and use tax on non-gaming incentives or inducements granted by a riverboat or slot machine licensee for room stays, admissions to entertainment venues, or parking charges. The bill is specified as interpretative, not substantive. Effective upon signature

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION
 There is no anticipated direct material effect on governmental expenditures as a result of this measure. Local governments should be able to absorb related expenses due to the number of impacted remitters in each jurisdiction. Legal expenses are not considered.

REVENUE EXPLANATION

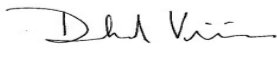
The LFO cannot discern the impact of the bill related to local sales and use taxes on services provided as non-gaming inducements and incentives. Conflicting information from impacted parties concerning actual remittances restricts the analysis of the local impact without further extensive review beyond the scope of LFO resources.

To the extent local sales and use taxes are being remitted and are no longer due under the bill for certain room stays, admissions to entertainment venues, or parking charges, local revenue will decline. Should the bill serve to educate impacted vendors on taxable transactions regarding other inducements or incentives, additional taxes may be remitted or remittances could be adjusted lower utilizing accounting methodology as allowed in the bill. The net impact is impossible to discern with the information provided by stakeholders.

The LFO is unclear if the "interpretative and not substantive" language in the bill may expose potential retroactivity, potentially leading to an additional local impact through mandatory refunds.

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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