

OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: **HB 296** HLS 25RS 659
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: April 23, 2025	1:15 PM	Author: FREIBERG
Dept./Agy.: East Baton Rouge Parish		
Subject: Local Sales and Use Tax Rebate Program		Analyst: Chris Province

TAX/SALES-USE, LOCAL OR SEE FISC NOTE LF RV Page 1 of 1
Authorizes the governing authority of East Baton Rouge Parish to distribute sales and use tax revenue collected on the sale of admission tickets to and concessions and parking at certain events

Purpose of this bill: This bill amends current law for the Consolidated Government of the City of Baton Rouge and Parish of East Baton Rouge’s (Parish) sales and use tax rebate program for certain events by: (1) changing the rebate's recipient from the taxpayer to the event promoter; (2) making sales and use taxes collected on concessions and parking eligible for the rebate; and (3) requiring the Parish to issue the rebate payment to the promoter within 90 days of receiving sufficient proof of entitlement.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	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	2025-26	2026-27	2027-28	2028-29	2029-30	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

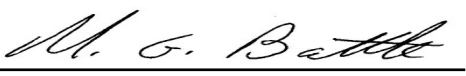
There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

This bill may decrease the Parish's sales and use tax revenue generated from eligible events to the extent that the expanded rebate program is utilized for such events. However, the exact amount and timing of this impact, if any, is currently indeterminable.

A Parish official indicated that this bill may decrease Parish sales and use tax revenue generated by eligible events to the extent that the expanded program is utilized, but the exact impact is currently indeterminable due to various factors (e.g. number of approved events in the future). While officials with both the Parish and Visit Baton Rouge (VBR) reported that there have been no rebate requests submitted since the program was created in 2023, VBR estimates approximately 2 to 3 events could qualify annually for the rebate program. However, actual utilization is contingent upon a recommendation from VBR and subsequent approval by the Parish governing authority. VBR indicated its recommendation would be dependent on the estimated economic impact and return on investment (ROI) that the rebate generates for the City/Parish.

To illustrate potential fiscal impacts of the bill, VBR provided a hypothetical example of the rebate program in use for an event that had 7,500 people in attendance. If a promoter received a 2% rebate on total sales of \$892,500 (tickets sales of \$562,500; concession sales of \$300,000; and parking sales of \$30,000), \$17,850 in sales and use tax revenue would be rebated by the Parish to the promoter. However, the Parish would ultimately receive more sales and use tax revenue from this event than it rebated as the tax rate on tickets, concessions, and parking at such events would be 5.5%. In addition, as stated previously, one of the criteria for VBR’s recommendation is a positive economic impact and ROI from the rebate.

Senate	Dual Referral Rules	House	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	Michael G. Battle Manager, Advisory Services