



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 654** HLS 25RS 44

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 1, 2025	5:41 PM	<b>Author:</b> BEAULLIEU
<b>Dept./Agy.:</b> Revenue		
<b>Subject:</b> Equal Local & State Sale/Use exemption, exclusion, rebates,		<b>Analyst:</b> Mimi Blanchard

TAX/SALES & USE

OR SEE FISC NOTE GF RV

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Requires sales and use tax exemptions, exclusions, credits, rebates, and refunds to apply to both the state and local sales tax bases

Current law allows certain sales and use tax exemptions, exclusions, credits, rebates, and refunds to apply only to state sales tax, only to local sales tax or be optional at the local level, without a requirement for uniformity between state and local sales tax bases.

Proposed law requires that, beginning January 1, 2026, all new sales and use tax exemptions, exclusions, credits, rebates, or refunds enacted by the Legislature must apply to both state and local sales tax.

Effective upon signature.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Annual Total	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	
Annual Total						

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

The bill mandates a uniform sales tax base between state and local taxing authorities on all new exemptions, exclusions, credits, rebates, or refunds enacted by the legislature after January 1, 2026. There appears to be no revenue impact from the bill as it presumably targets future sales tax measures that are not specified or directed in the bill.

However, it is not clear if amending, renaming, combining, etc., any existing sales tax exemptions, exclusions, credits, rebates or refunds might be considered a new measure and thus subject to base uniformity, which could cause anticipated revenue to change.

It is also not clear how refunds, which do not appear to be enacted as the bill mandates, might be handled if they must be equal at both the state and local level when they may result from an error in payment for only one, for instance.

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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