

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 75** HLS 13RS 364

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 19, 2013 10:31 AM	Author: BISHOP, WESLEY
Dept./Agy.: Revenue	Analyst: Deborah Vivien
Subject: Exempts St. Bernard Project from state sales tax	

TAX/SALES-USE, ST-EXEMPT OR -\$100,000 GF RV See Note Page 1 of 1
Provides for a state sales and use tax exemption for sales of certain property to "St. Bernard Project, Inc."

Current law allows a local sales tax exemption for St. Bernard Project, Inc., on purchases of construction materials intended for use in rehabilitating existing residential dwellings or constructing new residential dwellings in the state.

Proposed law retains current law and expands the exemption for St. Bernard Project, Inc., to include state sales tax.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$500,000)
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$500,000)

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

The revenue loss at the state level is in direct relation to the St. Bernard Project plans. The St. Bernard Project provides housing related to disaster rebuilding and affordable housing for vulnerable families, disabled residents, and senior citizens in the Greater New Orleans area. According to the St. Bernard Project, future plans include purchasing supplies related to the building or rehabilitation of roughly 100 homes per fiscal year with annual taxable expenditures of about \$2.5 million per year. The table above reflects 4% of this cost, which is the current state sales tax rate. Should the state sales tax rate increase, the reduction in state general fund revenue resulting from this exemption will also increase proportionately.

- | | | |
|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {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} | |

Gregory V. Albrecht
Chief Economist