i i i i i i i i i i i i i i i i i i i	LEGISL	ATIVE FISCAL OFFICE Fiscal Note							
		Fiscal Note On: HB 418 HLS 13RS 684							
::Legiliative	Bill Text Version: ORIGINAL								
Fiscale		Opp. Chamb. Action:							
		Proposed Amd.:							
12SURANDICS	Sub. Bill For.:								
Date: April 17, 2013	7:00 PM Author: EDWARDS								
Dept./Agy.: Revenue									

Subject: Removes exemption certification for some nonprofit events

TAX/SALES & USE

OR NO IMPACT GF RV See Note

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Analyst: Deborah Vivien

Provides with respect to the state and local sales and use tax exemption for sales at certain events sponsored by nonprofit organizations

Current law provides a state and local sales tax exemption for on-sight sales of tangible personal property, admission and parking at events sponsored by certain nonprofit organizations. To qualify for the exemption, the nonprofit organization must obtain an exemption certificate from the Secretary of the Department of Revenue in advance of the event.

Proposed law allows nonprofits to avoid obtaining an exemption certificate on the first event of each quarter if the event is 7 days or less for events sponsored by domestic, civic, educational, historical, charitable, fraternal or religious organization with net proceeds used for similar nonprofit purposes. Domestic nonprofits that are exempt under Section 501(c)(3) do not have to obtain a certificate on the first event of each quarter if the event is no longer than 12 days, provides LA heritage, culture, crafts, etc., and the sponsor has contracted for production management and financing services for the event.

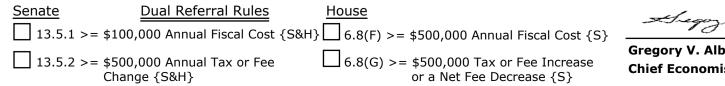
EXPENDITURES	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0
REVENUES	2013-14	<u>2014-15</u>	2015-16	2016-17	2017-18	<u>5 -YEAR TOTAL</u>
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>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

Since the qualifying events are exempt under current law and will still be exempt under this bill, there is no anticipated direct material effect on governmental revenues as a result of this measure. It seems unlikely that organizations holding these events are remitting tax as a result of not obtaining the currently available exemption certificate, and may now become aware of their exempt status. In addition, the Revenue Department can not identify organizations that may have been denied exempt status in the past (if any) that this bill would allow to hold future events without an exemption certificate.



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Gregory V. Albrecht Chief Economist