



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: SB 78 SLS 13RS 63
Bill Text Version: ORIGINAL
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 3, 2013 12:18 PM Author: MARTINY
Dept./Agy.: East Feliciana Parish Analyst: Theresa Chatelain
Subject: Sales and Use Tax Exemptions

TAX/SALES OR SEE FISC NOTE LF RV Page 1 of 1
Provides for certain tax authorities to grant an exclusion from sales tax for repairs to certain property which is delivered out of state. (7/1/13)

Purpose of Bill: This measure provides that charges for the furnishing of repairs to tangible personal property in East Feliciana Parish, when repaired property is (1) delivered to a common carrier or to the United States Post Office for transportation out of state or (2) delivered outside the state by use of the repairer's own vehicle or an independent trucker, shall be excluded from the definition of sales of services, and are therefore exempt from sales and use tax. Currently, this exemption is permissive; this measure would make it mandatory for East Feliciana Parish and changes the methods of delivery allowed. In addition, this measure allows other taxing authorities such as a law enforcement districts or fire districts to apply this exclusion.

Table with 7 columns: EXPENDITURES, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

Table with 7 columns: REVENUES, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

The impact on local government revenues may vary statewide.

According to an official with the East Feliciana Parish Police Jury, this sales and use tax is not being collected, although the capacity to do so currently exists. As such, making the exemption mandatory may not affect local government revenues.

According to an official with the East Feliciana Parish School Board, they have not collected this sales and use tax since 2007. Therefore, they will continue this practice as a result of this measure and there may be no fiscal impact. If the East Feliciana Parish School Board were to collect these taxes, revenues would be \$400,000 to \$500,000 per year.

We contacted officials with Terrebonne, Ascension, and Desoto parishes and were informed that there are taxing authorities that levy this tax in their parishes. If these "other tax authorities" choose to apply this exclusion, revenues for these other taxing authorities may decrease. However, the officials we contacted were unable to provide the dollar amount that revenues would decrease for other taxing authorities. In addition, we contacted one of the "other tax authorities" and could not provide us with more specific revenue data.

According to the Louisiana Department of Revenue, the state does not collect any money related to this sales and use tax. Therefore, there should be no effect on state general fund revenues.

- Senate Dual Referral Rules House
13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} 6.8(F) >= \$500,000 Annual Fiscal Cost {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}

Joy Irwin
Director of Advisory Services