



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: SB 80 SLS 13RS 51
Bill Text Version: ORIGINAL
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 8, 2013 2:13 PM Author: MARTINY
Dept./Agy.: Taxing Authorities Analyst: Theresa Chatelain
Subject: Sales and Use Tax Exemptions

TAX/SALES OR DECREASE LF RV See Note Page 1 of 1
Expands an exclusion from state and local sales tax for repairs to certain property which is delivered out of state. (7/1/13)

Purpose of Bill: This measure provides that statewide, charges for the furnishing of repairs to tangible personal property, 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, are exempt from state and local sales and use tax.

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 anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

Local government revenues may decrease by approximately \$12 million to \$14.9 million dollars each year as a result of this measure. There will be no impact to state general fund revenues as this sales and use tax is currently not collected by the state.

The impact on each local government taxing authority will vary greatly depending on the current amount of taxes collected for such repairs. According to officials in Ascension, East Feliciana, Desoto, and Terrebonne parishes, detailed information for each individual taxing authority is not separately accounted for; therefore, an estimate by taxing authority is not available.

Using data from the 2012 Louisiana Department of Revenue Tax Exemption Budget, and assuming that the local sales and use tax rates may vary from 4% to 5%, we estimate that this measure may decrease local sales tax revenues by approximately \$12 million to \$14.9 million dollars each year.

- 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