

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 169** SLS 13RS 488

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 29, 2013	7:42 AM	Author: WALSWORTH
Dept./Agy.: Revenue		Analyst: Deborah Vivien
Subject: Nursing Home sales tax exemption for food sales		

TAX EXEMPTIONS

EN SEE FISC NOTE LF RV See Note

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Provides an exemption from sales tax on the sale of meals to staff and patients of nursing homes and adult residential care providers. (8/1/13)

Current law exempts food for home consumption from state sales and use tax with a local option for exemption. Current law also exempts meals provided to staff and patients at hospitals from state and local sales tax.

Proposed law exempts the sale of meals furnished to the staff and residents of nursing homes, adult residential day care providers, and continuing care retirement communities from state and local 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	\$0	\$0	\$0	\$0	\$0	\$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.	\$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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

According to the State Department of Revenue, the department currently considers food prepared for staff and residents in nursing homes, adult residential day care centers and continuing care retirement communities as food for home consumption, since the facility is the home of the patient. Staff meals are included in this interpretation. Thus, these meals are already exempt from state sales tax. The Louisiana Nursing Home Assn reports that its members are not subject to local sales tax for these meals either, although some local governments may be taxing the value of the food at the point of the purchases by the facility (though it could also be exempt as sale for resale), but not at the point of provision to the patient or staff. Since the bill appears to target the value of the meals at the point of provision to the patients and staff, it does not appear to change current tax liabilities.

If any of these facilities serve meals for sale to the general public, those meals may be subject to state and local sales tax.

<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}

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