LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 75** HLS 13RS 364
Bill Text Version: **ENROLLED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: June 6, 2013 4:46 PM
Author: BISHOP, WESLEY
Dept./Agy.: Revenue
Subject: Exempts St. Bernard Project from state sales tax
Analyst: Deborah Vivien

TAX/SALES-USE, ST-EXEMPT EN -$1,100,000 GF RV See Note

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. Proposed law also dedicates $1,000,000 in state sales tax proceeds (from taxation of telecommunications services) for the Telecommunications Fund for the Deaf.

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.	($1,100,000)	($1,100,000)	($1,100,000)	($1,100,000)	($1,100,000)	**($5,500,000)**
Agy. Self-Gen.	$0	$0	$0	$0	$0	**$0**
Ded./Other	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000	**$5,000,000**
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$0	$0	$0	$0	$0	**$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 in part in 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 an SGF reduction of 4% (current sales tax rate) of this cost or $100,000.

The bill also dedicates $1,000,000 to the Telecommunications Fund for the Deaf from state sales tax on telecommunications services, which reduces the state general fund receipts. Monies in the fund are reserved for uses related to accessibility and technology for the deaf, hard of hearing, or speech impaired.

Senate Dual Referral Rules House

[x] 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}

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