



**OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note**

Fiscal Note On: **HB 981** HLS 14RS 866
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 28, 2014 10:57 AM	Author: GAINES
Dept./Agy.: St. John the Baptist	Analyst: Glenda Leblanc
Subject: Local Sales Tax Holidays	

TAX/SALES-USE, LOCAL-EXEM EN DECREASE LF RV See Note Page 1 of 1
 Authorizes political subdivisions in St. John the Baptist Parish to establish local sales tax holidays

Purpose of Bill: This measure allows St. John the Baptist Parish and any political subdivision in the parish to establish a local sales tax holidays by ordinance or resolution, during which time any political subdivision in the parish may exempt the purchases of tangible personal property from the sales and use tax levied by the respective political subdivision. This holiday is to be held only at the same time and for the same duration as an annual state sales tax holiday.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	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	<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	2014-15	2015-16	2016-17	2017-18	2018-19	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	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Annual Total						

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

Local revenues may decrease by an indeterminate amount as a result of this measure.

An official with the St. John the Baptist Parish Sales and Use Tax Office indicated that based on the parish participating in a sales tax holiday/weekend approximately 5 or 6 years ago, this bill may decrease revenues by an estimated \$50,000 in fiscal year 2015, increasing to an estimated \$56,821 by fiscal year 2019.

Currently, the school board levies 2.25%, the Parish Council levies 2.25% and the Sheriff's Office levies 0.50% in sales and use taxes in St. John the Baptist Parish. Revenue losses depend on the number of purchases made during that tax exempt holiday, the cost of those purchases, which political subdivisions participate, and the degree to which this local tax exemption is utilized by vendors to promote purchases of tangible personal property.

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & 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} |

Joy Irwin
 Director of Advisory Services