

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 84** HLS 15RS 14

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 13, 2015	8:27 AM	<b>Author:</b> MILLER
<b>Dept./Agy.:</b> Revenue		<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Laundry services subject to sales tax upon delivery		

TAX/SALES & USE

EG SEE FISC NOTE LF RV See Note

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Provides relative to the definition of "sales of services" for purposes of sales and use tax

Current law subjects laundry, cleaning, pressing and dyeing services to state and local sales and use tax, including the cleaning and renovation of clothing, furs, furniture, carpets and rugs as well as storage space for similar items.

Proposed law retains current law and insert the language stipulating that state and local sales tax is due on laundry services where the article is returned to the customer.

<b>EXPENDITURES</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

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

**REVENUE EXPLANATION**

This bill stipulates that sales of laundry and dry-cleaning services are taxable where the cleaned items are returned to the customer, not where the cleaning necessarily takes place, which is anticipated to be current practice but may not have been interpreted that way in all circumstances. Due to this bill, one parish with more storefronts might receive more sales tax revenue while another parish with a cleaning plant might experience lower sales tax revenue, if the taxation was occurring at the plant prior to this bill. To the extent that transactions are shifted between different taxing jurisdictions, the distribution and/or aggregate amount of local revenue will change.

The same shifting could take place at the state level if the plant and storefronts are on opposite sides of the state line. The bill does not appear to impact the amount of cleaning services sold, but may change the distribution of remittances among taxing authorities.

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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 Rev. Red. to State {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} |

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