

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 471** HLS 15RS 410
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 20, 2015	1:13 PM	Author: STOKES
Dept./Agy.: Revenue		Analyst: Deborah Vivien
Subject: Establishes Sales Tax Streamlining & Modernization Comm.		

TAX/SALES & USE EG SEE FISC NOTE GF EX See Note Page 1 of 1
 Establishes the Sales Tax Streamlining and Modernization Commission to perform a comprehensive study of Louisiana's state and local sales and use tax systems

Proposed law establishes the Sales Tax Streamlining and Modernization Commission to study LA state and local sales tax systems and recommend revised practices, administrative procedures, statutory and Constitutional law changes based on the concept of a broad base and low tax rate. The Commission will include 19 members with only expenses paid. They will be the Secretary of Revenue, Speaker (designee), President (designee), the Chairmen or designees of Ways and Means and Revenue and Fiscal Affairs, one member appointed by each of the Police Jury Association, LMA, LA School Board Association, LATA, Sheriff's Association, Multiparish Tax Commission, Society of CPAs, PAR, LABI, Retailers Association, LA Budget Project, and 3 faculty members of a LA public university selected by the speaker, president and governor. The Commission will meet monthly at the state capitol and may consider witnesses and documents with the first meeting on or before July 1, 2015 with the final report due on or before 1/15/16. Agencies assisting the Commission will be LDR, house and senate legislative staff and the legislative fiscal office.
 (continued in the REVENUE EXPLANATION below)

EXPENDITURES	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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						
REVENUES	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>5 -YEAR TOTAL</u>
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

EXPENDITURE EXPLANATION

It is not clear from the bill whether LDR will pay all Commission expenses or just those of the Secretary. Executive and Legislative staff may be involved in a substantial workload given the widespread area of study and the short timeframe mandated by the bill. Without additional resources, current workload obligations may be delayed in order to meet the requirements of this bill.

REVENUE EXPLANATION

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

(Summary continued)

The Commission is tasked with the following issues related to state and local taxation and develop recommendations:

- 1) study state's goals in taxation, how it impacts the economy and how it can position LA in equity and economic competitiveness
- 2) study state and local tax bases and rates and compare to other states, including broadening the base and lowering the rates. Specifically, taxation of services to strengthen the base and the impact of tax rates under the remote sales differential.
- 3) special tax treatments including credits, deductions, discounts, exclusions, exemptions and rebates and compare to other states.
- 4) study state and local sales tax collection and audit procedures and compare to other states.

The Commission is to break into groups and subcommittees and finally review reports submitted by each upon which a report of recommendations will be based. The report of recommendations will require a 3/4 vote of the Commission and include any revision of current practices, administrative procedure, statutory law, and the LA Constitution. The report will be submitted to the Governor on or before 1/15/16. The Commission will terminate on 6/30/17.

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