

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HCR 15** HLS 15RS 1307

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action: **w/ SEN COMM AMD**

Proposed Amd.:

Sub. Bill For.:

Date: June 6, 2015	9:56 AM	Author: MONTOUCET
Dept./Agy.: Revenue		Analyst: Deborah Vivien
Subject: Suspends Sales Tax Holidays for 1 year		

TAX/SALES & USE

EG1 +\$3,300,000 GF RV See Note

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Suspends annual state sales tax holidays until 60 days after adjournment of the 2016 Regular Session of the Legislature

Current law allows a sales tax holiday for general purchases (2 days on first consecutive Friday and Saturday of August up to \$2,500 in purchases excluding vehicles and meals on premises), 2nd amendment (3 days on first Friday-Sunday of September for firearms, ammunition and hunting supplies, no spending limit), and hurricane preparedness (2 days on last Saturday and Sunday in May up to \$1,500 in purchases of hurricane preparedness items).

Proposed law retains current law for the 2nd amendment sales tax holiday (3 days on first Friday-Sunday of September for firearms, ammunition and hunting supplies, no spending limit) and suspends the sales tax holidays during FY 16 for general purchases (2 days on first consecutive Friday and Saturday of August up to \$2,500 in purchases excluding vehicles and meals on premises) and hurricane preparedness (2 days on last Saturday and Sunday in May up to \$1,500 in purchases of hurricane preparedness items).

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	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>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$3,300,000	\$0	\$0	\$0	\$0	\$3,300,000
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>	\$0
Annual Total	\$3,300,000	\$0	\$0	\$0	\$0	\$3,300,000

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

The bill is expected to increase SGF revenue by about \$3.3M in FY 16, according to the estimate in the FY 15 Tax Exemption Budget of the value of the exemption from sales tax due to the 2 suspended holidays. Below are the estimates of the exemptions due to the holidays:

General Sales Tax Holiday	\$3,233,000
<u>Hurricane Preparedness Sales Tax Holiday</u>	<u>78,000</u>
Suspended Sales Tax Holidays	\$3,311,000

The 2nd Amendment Sales Tax Holiday is estimated to exempt \$916,000 in sales tax in FY 16.

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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 checked="" 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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