

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 18** SLS 161ES 85

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: February 25, 2016 7:48 AM	Author: MORRELL
Dept./Agy.: Revenue	Analyst: Deborah Vivien
Subject: Subjects airplanes/airplane equipment in LA to sales tax	

TAX EXEMPTIONS OR INCREASE GF RV See Note Page 1 of 1
 Provides relative to sales and use tax exemption for rental or purchase of airplanes or airplane equipment and parts by Louisiana domiciled commuter airlines. (Item #36)(gov sig)
Current law exempts the lease, rental and purchase of airplanes and airplane equipment by a LA domiciled commuter airline from state and local sales tax.

Proposed law removes the exemptions and subjects the lease, rental and purchase of airplanes and airplane equipment by a LA domiciled commuter airline to state and local sales tax. Effective for taxable periods beginning on or after April 1, 2016.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	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	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

The value of the exemption for the lease, rental and purchase of airplanes and airplane equipment by a LA domiciled commuter airline is reported in the "Other" category on the sales tax form and in the Tax Exemption Budget. To the extent that impacted transactions occur, state general fund and local revenue will increase. The magnitude of the increase is not readily determinable, but the bill can only result in an increase in revenue collections.

Since these items were not previously taxed, any increase may be phased in slowly as compliance improves. The first FY 16 collections affected by this bill, if any, will be due May 20.

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <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"/> 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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Chief Economist