

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 22** SLS 161ES 104

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: February 28, 2016 11:49 AM	Author: MORRELL
Dept./Agy.: Revenue	Analyst: Deborah Vivien
Subject: Subjects sales at public facilities to sales tax	

TAX EXEMPTIONS EG INCREASE GF RV See Note Page 1 of 1
Includes numismatic coins and bullion in the definition of tangible personal property subject to sales and use tax. (Item #36) (gov sig)

Current law exempts from state and local sales tax sales at domed stadium facilities, baseball facilities and the publicly owned property on which the facilities are located. In the facilities, sales tax is only imposed at trade shows at which the sale of such good is the primary purpose. State sales tax is exempt at other publicly owned facilities if the local sales tax is also exempt, with the exception of trade shows at which the sale of such goods is the primary purpose.

Proposed law removes the exemption from sales tax for all sales in these locations except ticket sales, facility tours, officially licensed team merchandise and merchandise at annual music festivals. The bill allocates 30% of 1c of sales tax from these sales to LA School for Math, Science and the Arts (LSMSA) and the New Orleans Center for the Creative Arts (NOCCA) pursuant to appropriation. 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	<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	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 sales at public facilities 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 any such increase is not readily determinable, but the bill seems to apply to only a limited set of transactions at these facilities. However, the bill can only result in an increase in collections.

The bill provides that 30% of 1% tax rate of proceeds from state receipts, be allocated to LSMSA and NOCCA pursuant to an appropriation.

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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