

LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: **SB 32** SLS 05RS 181

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Sub. Bill For.:

Proposed Amd.:



Date: May 22, 2005 9:25 PM	Author: ADLEY
Dept./Agy.: LA Tax Commission / Local Governments	Analyst: Greg Albrecht
Subject: Exempt Certain Medical Equipment	

TAX EXEMPTIONS OR DECREASE LF RV See Note Page 1 of 1

Constitutional amendment to exempt from property tax medical equipment leased for a term exceeding five years to small, rural hospitals. (1/1/07) (2/3 - CA13s1(A))

Provides a property tax exemption for medical equipment leased for at least five years to nonprofit corporations or associations that own or operate small rural hospitals. A small rural hospital is defined as one that has less than 50 Medicare-licensed acute care beds and is located in a municipality with a population of less than 10,000 that has been classified as an area with a shortage of health manpower by the United States Health Service.

To be submitted to the electors at the statewide ballot on November 7, 2006. Effective January 1, 2007.

EXPENDITURES	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</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	<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	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>5 -YEAR TOTAL</u>
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Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	DECREASE	DECREASE	DECREASE	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

The bill may target only a single hospital and is likely to affect only a very few (the Department of Health and Hospitals indicates three hospitals may qualify). DHH provided a list of equipment likely to be leased in these types of hospitals that might be affected by this exemption. This list included fetal monitors, bone densitometers, CT scanners, and lab monitors, ranging in price from \$82,000 to \$1.8 million. In the aggregate, this bill is not likely to exempt a large amount of property value and have a large effect on local tax collections. However, the tax impact may be material to any particular small municipality where such facilities and equipment are located.

Senate

Dual Referral Rules

House

13.5.1 >= \$500,000 Annual Fiscal Cost

6.8(F) >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

H. Gordon Monk
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Legislative Fiscal Officer