

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 501** HLS 15RS 1161
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ SEN COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: June 4, 2015	8:01 PM	Author: ROBIDEAUX
Dept./Agy.: Revenue		Analyst: Deborah Vivien
Subject: Exempts LA manufactured aircraft for 8 or less for export		

TAX/TAXATION RE1 SEE FISC NOTE GF RV See Note Page 1 of 1
 Provides for a state and local sales and use tax exemption for certain aircraft manufactured in Louisiana

Current law provides a state and local sales tax exemption for sale at retail of passenger aircraft manufactured or assembled in LA for more than 50 passengers if the aircraft is received by the purchaser out of state. Sales of tangible personal property for use out of state are also exempt.

Proposed law lowers the aircraft capacity qualifying for the exemption from more than 50 passengers to 8 or less. It also stipulates that the place that the aircraft is ultimately received is the place of storage after all transportation is complete.

In addition, the SAVE credit against higher education costs is included in the bill.

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.	\$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

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

This bill will allow a LA aircraft manufacturing facility to exempt any sale of an aircraft holding 8 or fewer passengers for sale out of state from state and local sales tax if the final place of storage is out of state. A sale to a LA resident or corporation for an aircraft stored in LA is still taxable at the state and local level under this bill.

The sale of an aircraft received out of state is already exempt from state and local taxation. The bill establishes that out of state is determined by place of storage of the aircraft. Thus, if the place of storage and the place received are identical, there would be no fiscal impact from this bill, since the out of state sale would be exempt under current law.

The SAVE credit provisions have no fiscal effect and are discussed in the fiscal note for SB 284 of this session.

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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 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} |

John D. Carpenter
Legislative Fiscal Officer