

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **SB 128** SLS 09RS 193
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

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Dept./Agy.: Revenue	Analyst: Deborah Vivien
Subject:	

TAX EXEMPTIONS EG DECREASE GF RV See Note Page 1 of 1

Provides for a tax exclusion for the resale of Mardi Gras beads and specialty items by organizations from state sales tax. (8/15/09)

Current law excludes the sale of specialty items, including but not limited to doubloons, necklaces, bracelets, stuffed animals, cups and coasters, sold to organization members participating in parades for fundraising purposes by nonprofit carnival organizations domiciled in Louisiana from state and local sales tax.

Proposed law expands the current law to include all sales of Mardi Gras specialty items sold by any nonprofit organization to any consumer as exempt from state sales tax.

Effective July 1, 2009.

EXPENDITURES	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</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>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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

Sales of specialty items by Mardi Gras organizations to krewe members participating in parades is already tax exempt. This bill appears to allow the krewe organizations and any other nonprofit organization to sell specialty items (Mardi Gras or otherwise) to the general public without those sales being subject to the state sales tax of 4%.

The extent to which the krewe organizations (or any other nonprofit organizations) are currently selling (or plan to sell) Mardi Gras items to the general public is unknown. This bill appears to exempt those sale from state sales tax and results in a indeterminable revenue loss to the state. In 2009, there were 228 Mardi Gras parades in Louisiana and, presumably, a comparable number of nonprofit sponsoring organizations. If each organization were selling items to the general public, state revenue losses could be material, although it would take \$12.5 million of sales to generate \$500,000 of state revenue loss.

Senate

Dual Referral Rules

House

- 13.5.1 >= \$500,000 Annual Fiscal Cost
- 13.5.2 >= \$500,000 Annual Tax or Fee Change

- 6.8(F) >= \$500,000 Annual Fiscal Cost
- 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

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