

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **SB 239** SLS 09RS 583

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | | |
|---|----------|--|
| Date: May 20, 2009 | 12:18 PM | Author: DUPRE |
| Dept./Agy.: Revenue/Wildlife and Fisheries | | Analyst: Stephanie C. Blanchard |
| Subject: Tax exemptions for commercial fishermen | | |

TAX EXEMPTIONS

EG NO IMPACT GF RV See Note

Page 1 of 1

Includes possession of a vessel license to qualify for certain exemptions from the state sales, use, lease, and services taxes, includes owners of vessels who are not operators of the vessels, and provides for certain commercial fishermen licenses.

Current law provides an exemption from certain state sales, use, lease, and service taxes for a Louisiana resident, domiciled in Louisiana, who possesses certain valid Louisiana commercial fishing ventures and who is an owner-operator of a vessel operated primarily for the conduct of commercial fishing as a trade or business and which the Department of Wildlife and Fisheries determines will be predominantly and principally used for commercial fishing ventures and whose catch is for human consumption. Further provides that the exemption will also apply to certain processing facilities which process the catch from certain owner-operators of commercial fishing vessels which are owned by, or leased or contracted exclusively to the processing facility. Proposed law makes various changes to the eligibility requirements for the existing exemption, and provides that a vessel license be issued to a commercial fishermen operating in freshwater areas of the state.

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> | <u>\$0</u> |
| 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. | \$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> | <u>\$0</u> |
| 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. Existing staff at the Department of Revenue will be utilized for the notification of affected taxpayers.

REVENUE EXPLANATION

Approximately 150 taxpayers are currently certified for the sales and use tax exemption for commercial fishermen. According to the Department of Revenue, the proposed legislation does not substantially alter eligibility requirements for the exemption, except that a vessel license be issued to a commercial fishermen operating in freshwater areas of the state. Such commercial fishermen may or may not have previously purchased a vessel license, and the proposed legislation is expected have only minimal impact, if any, on state revenues.

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

Gregory V. Albrecht
Chief Economist