



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: SB 707 SLS 10RS 1460
Bill Text Version: ENGROSSED
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: April 29, 2010 5:50 PM Author: ALARIO
Dept./Agy.: Parishes and Municipalities Analyst: Michael Cragin
Subject: Occupational License Tax

TAX/LOCAL EG DECREASE LF RV See Note Page 1 of 1
Provides for the definition of contractor for purposes of the occupational license tax. (8/15/10)

Purpose of Bill: This bill revises the definition of "contractor" relative to the occupational license tax. The bill includes fabricators in the definition of "contractor" and adds movable to a list (building, highway, road, excavation, other structure, etc.) of what a contractor may impact (construct, alter, repair, add to, etc.).

Table with 7 columns: EXPENDITURES, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total. All values are \$0.

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

Revenues of local governments may decrease as a result of this measure.

The following estimates of revenue decreases were provided through a representative of the Louisiana Municipal Association (LMA):

- St. Mary Parish - \$100,000
Baton Rouge - \$200,000
Shreveport - \$300,000
Terrebonne Parish - \$5,000 to \$10,000
Ascension Parish - \$30,000
Iberville Parish - \$30,000
Bossier City - \$20,000

These estimates assume that fabricators, who are now classified as suppliers of building materials and pay an occupational license tax (OLT) of up to \$6,200 based on gross sales, would be limited to the contractor maximum of \$750.

In addition, under this bill repair dealers of movable property could also be included under the definition of contractor. Currently, repair dealers can pay an OLT up to a maximum of \$6,200, but would be limited to the contractor maximum of \$750.

Senate Dual Referral Rules

[] 13.5.1 >= \$100,000 Annual Fiscal Cost

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

House

[] 6.8(F) >= \$100,000 Annual SGF Cost

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

Signature of Michael G. Battle

Michael G. Battle
Manager, Performance Audit