

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 241** SLS 17RS 676
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: June 6, 2017 5:23 PM	Author: JOHNS
Dept./Agy.: REVENUE	Analyst: Benjamin Vincent
Subject: Sales & Use Tax Exemption: Dental Devices	

TAX EXEMPTIONS EN NO IMPACT GF RV See Note Page 1 of 1
 Restores the sales and use tax exemption for dental devices.

Current law partially suspends the state sales and use tax on orthotic or prosthetic devices, prostheses, or restorative materials utilized or prescribed by dentists. The current rate imposed is 3% until July 1, 2018, at which time these transactions will become fully exempt.

Proposed law fully exempts these transactions beginning on July 1, 2018.

Effective upon governor's signature.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	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	2017-18	2018-19	2019-20	2020-21	2021-22	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

Current law provides that a rate of 3% sales tax is imposed on sales of certain dental devices for FY18, and 0% is imposed for FY19-FY22. Proposed law would not impact the rate imposed in any year relative to current law. The revenue impact of proposed law would be zero.

For informational purposes, LA Dept. of Revenue reports an implied \$12.2M base of taxable sales impacted by this exemption for FY17. Based on this implied base, exempting these transactions is worth approximately \$122,000 per 1% of tax per full year.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Gregory V. Albrecht
Chief Economist