



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **HB 9** HLS 21RS 87  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.: **REVISED**

<b>Date:</b> April 8, 2021 3:59 PM	<b>Author:</b> TURNER
<b>Dept./Agy.:</b> Revenue/Motor Vehicles	<b>Analyst:</b> Benjamin Vincent
<b>Subject:</b> Second Amendment Sales Tax Holiday	

TAX/SALES-USE-EXEMPT OR -\$350,000 GF RV See Note Page 1 of 1  
 Provides for the Annual Louisiana Second Amendment Weekend Holiday

Present law suspends certain state and local sales and use tax exemptions, subjecting purchases during the Second Amendment Weekend Holiday (R.S. 47:305:62) to the full 4.45% state-level tax rate through July 1, 2025, at which time these purchases will become fully exempt. The holiday, when effective, is held the first weekend in September, and exempts purchases of firearms, ammunition, and hunting supplies from both state and local sales tax levies.

Proposed law reinstates the exemptions under the Second Amendment Weekend Holiday, changes the date of the annual holiday to the final consecutive Saturday and Sunday in July, limits the exemption to purchases under \$2,500, and limits the exemption to purchases made from a physical retail location in the state.

Proposed law additionally repeals the statutory suspension for the one-time sales tax holiday in November 2020 (R.S. 47:305:74).  
 Effective upon governor's signature.

<b>EXPENDITURES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	(\$350,000)	(\$350,000)	(\$350,000)	(\$350,000)	SEE BELOW	<b>(\$1,400,000)</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	DECREASE	DECREASE	DECREASE	DECREASE	SEE BELOW	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

LDR reports that modifying the current set of suspended exemptions will require minor expenditures for tax return form redesign, and for computer system modification, development, and testing.

**REVENUE EXPLANATION**

Proposed law provides that the exemptions in the suspended Second Amendment Weekend Holiday in R.S. 47:305.62 would be reinstated with certain changes, including moving the holiday to July. The state revenue loss is depicted as entirely state general fund in the table above, but small amounts of loss (roughly 1% of the total) will occur to the Tourism Promotion District allocation and economic development dedications, as well.

A multi-year average estimate of recent sales tax data for this holiday implies an annual general fund impact of approximately \$600,000 at a 4.45% state tax rate. However, proposed law alters the existing holiday such that greater uncertainty exists with regard to its estimated impact.

Proposed law reduces the length of the holiday from three days to two, limits the applicability to purchases under \$2,500, and limits exemptions to purchases made at retail locations within the state. These changes work to mitigate the revenue impact to some extent. Additionally, proposed law changes the month of the holiday from September to July, which may work to decrease the revenue impact, as the holiday is moved away from hunting seasons.

For purposes of this fiscal note, the multi-year average revenue loss of the holiday is first reduced by approximately 40%, to \$350,000, to reflect the mitigating effects of reducing the number of days from three to two, limiting applicability to purchases under \$2,500, and limiting applicability to retail locations within the state. The reduction to local revenues would vary, depending on the current tax rate within each particular political subdivision, in all years prior to FY26.

Current law provides that the holiday regains effectiveness beginning in FY26. Thus, in FY26 the revenue impact of proposed law will be reduced to the difference between the impact of the holiday in the form proposed by this bill and its current form. The magnitude of this difference is presently indeterminable.

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}

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