LEGISLATIVE FISCAL OFFICE
Fiscal Note

Louisiana Legislative Fiscal Office — Fiscal Notes

Fiscal Note On: **HB 619** HLS 23RS 1187
Bill Text Version: **ENROLLED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: June 5, 2023 1:38 PM
Author: LANDRY
Dept./Agy.: Revenue
Subject: Subjects certain museum admissions to sales tax
Analyst: Deborah Vivien

TAX/SALES & USE EN INCREASE GF RV See Note
Provides for applicability of sales tax to sales of admissions to certain museums

Current law subjects the sale of admission to most museums to state and a locally optional sales tax until June 30, 2025, at which time these sales become exempt, making these admission sales temporarily taxable. From July 1, 2025, forward, museums are exempt from state and local sales tax.

Proposed law eliminates the sales tax exemption for admission sales to a museum that showcases Louisiana music and will open to the public on or after January 1, 2026, making admission sales subject to state and local sales tax.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	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	$0	$0	$0	$0	$0	**$0**
Annual Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	$0	$0	INCREASE	INCREASE	INCREASE	**$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	$0	$0	INCREASE	INCREASE	INCREASE	**$0**
Annual Total	**$0**	**$0**				**$0**

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

The bill subjects sales of admission to a specific museum to state and local sales tax, presumably to target the planned Louisiana Music and Heritage Experience museum in New Orleans, but will also subject to state and local sales tax the sale of admissions to any music museum which will open to the public in Louisiana after January 1, 2026.

The bill will only have an impact if this type of museum becomes operational after January 1, 2026, at which time state sales tax would increase upon sale of the first admission ticket. An article in the Advocate indicates anticipated Louisiana Music and Heritage Experience museum sales of $45 M per year, though it is not clear if all sales would be related to admission costs or may include gift shop or other retail. Should the admission sales materialize at $45 M, state sales tax of 4% would generate $1.8 M in collections.

Admission sales to any other music museum opening in the state after January 1, 2026, featuring Louisiana music would also become taxable adding to the impact.

Note: The Louisiana Music and Heritage Experience has indicated plans to pursue tax increment financing (TIF), which requires the elimination of the sales tax exemption accomplished by this bill.

Senate — Dual Referral Rules
- [ ] 13.5.1 >= $100,000 Annual Fiscal Cost {S & H}
- [x] 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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