



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 534** HLS 25RS 1002  
Bill Text Version: **ORIGINAL**  
Opp. Chamb. Action:  
Proposed Amd.:  
Sub. Bill For.:

<b>Date:</b> May 5, 2025	3:09 PM	<b>Author:</b> LACOMBE
<b>Dept./Agy.:</b> Revenue		
<b>Subject:</b> SALE/USE TAX EXEMPTION - COIN OPERATED VENDING		<b>Analyst:</b> Mimi Blanchard

TAX/SALES & USE OR DECREASE GF RV See Note Page 1 of 1  
Exempts sales of goods through coin-operated vending machines from sales and use tax

Current law subjects property purchased for sale through a coin-operated vending machine to state and local sales tax at the vending machine sale. Purchases of property to sell in coin-operated vending machines are considered a sale for resale and not subject to sales tax.

Proposed law exempts property purchased through a coin-operated vending machine from state and local sales tax and transfers the taxable event to the wholesale purchase of property to be sold in coin-operated vending machines.

Effective July 1, 2025.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
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>

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	<b>(\$2,600,000)</b>	<b>(\$2,600,000)</b>	<b>(\$2,600,000)</b>	<b>(\$2,600,000)</b>	<b>(\$2,600,000)</b>	<b>(\$13,000,000)</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	<b>(\$2,600,000)</b>	<b>(\$2,600,000)</b>	<b>(\$2,600,000)</b>	<b>(\$2,600,000)</b>	<b>(\$2,600,000)</b>	<b>(\$13,000,000)</b>
<b>Annual Total</b>	<b>(\$5,200,000)</b>	<b>(\$5,200,000)</b>	<b>(\$5,200,000)</b>	<b>(\$5,200,000)</b>	<b>(\$5,200,000)</b>	<b>(\$26,000,000)</b>

**EXPENDITURE EXPLANATION**  
LDR is anticipated to incur minor expenses associated with updating tax forms, modifying the collection process, and making other administrative adjustments to accommodate the changes in the point of taxation. LFO believes that the department will be able to absorb these costs within it’s current budget, but may require additional resources if the aggregate impact of all bills enacted during this session is substantive.

**REVENUE EXPLANATION**  
The bill will result in a decrease in SGF and local revenue of approximately \$2.6 M annually beginning in FY26. Prior to January 1, 2025, the state provided a state sales tax exclusion for sales through coin-operated vending machines, allowing the tax to be paid at the wholesale level. The exclusion was repealed in Act 11 of 24 ES3, which made the taxable events the same at the state and local level. The bill provides a state and local exemption allowing dealers to pay sales tax on the purchase of items intended for resale through vending machines instead of at the vending machine sale.

The impact estimate is based on historical collections reported when the state exemption was previously in place (FY22 to FY24). The average annual state revenue loss was approximately \$2.3 M under a 4.45% tax rate, implying \$51.7 M in vending machine sales. Applying the current 5% state sales tax rate and an average local sales tax rate of 5.1% is the basis for the estimate of a \$2.6 M annual revenue loss statewide. Local revenue impacts may vary by jurisdiction. It is unclear if the reports captured all exclude sales so this may be a conservative estimate.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	<div>Deborah Vivien Chief Economist</div>