



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 318** SLS 26RS 465
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 5, 2026	9:09 AM	Author: REESE
Dept./Agy.: Department of Revenue / LULSTB / Local Tax Collectors		Analyst: Noah O'Dell
Subject: Tax Exemption Budget and Return on Investment Reports		

TAX EXEMPTIONS EN INCREASE LF EX See Note Page 1 of 1

Provides relative to tax exemption budget and return on investment reports published by the Department of Revenue. (gov sig)

Current law requires the secretary of the Department of Revenue (LDR) to publish a tax exemption budget (TEB) on the LaTrac website with specified information and requires state agencies administering tax incentives with job creation components to report biennially the number of employees hired with a Louisiana driver's license at the time of hire.

Proposed law repeals certain TEB publication requirements, alters the report's organizational structure, and requires publication on LDR's website instead of LaTrac. Certain industry information is moved to a new business tax benefit report published by LDR by Sept. 1 each year. Proposed law repeals the requirement that incentive reports include the number of employees hired with a Louisiana driver's license. Proposed law requires the single sales and use tax collector for each parish to prepare and submit a TEB for all exclusions, exemptions, deductions, credits, rebates, and preferential tax treatments applicable to local sales and use taxes it administers. Each collector shall submit the information to the LA Uniform Local Sales Tax Board for publication by March 1 of each year.

Effective upon the governor's signature or lapse of time for gubernatorial action.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	

Annual Total

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	

Annual Total

EXPENDITURE EXPLANATION

Proposed law is anticipated to increase Local Funds expenditures by a significant, but indeterminable amount, likely to exceed the \$100,000 threshold for dual referral established by Senate Rule 13.5.1. Proposed law requires the single sales and use tax collector for each parish to prepare and submit a tax exemption budget for all exclusions, exemptions, deductions, credits, rebates, and preferential tax treatments applicable to local sales and use taxes administered. Each collector is required to submit the specified information to the Louisiana Uniform Local Sales Tax Board (LULSTB), which is required to compile, review, and produce the local tax exemption budget by March 1, of each year.

Uniform Local Sales Tax Board / Local Tax Collectors / Sales and Use Tax Commission for Remote Sellers

A significant increase in Local Funds expenditures related to the reprogramming of computer systems at LULSTB and the Sales and Use Tax Commission for Remote Sellers is anticipated in order to adapt the current systems for per-parish formatting of tax returns and related reporting. LULSTB reports an estimate of approximately \$3 M in one-time expenditures in FY 27 and \$100,000 in recurring expenses in subsequent years for extensive upgrades in order to redesign the E-Parish filing system so taxpayers are able to report exemption data by parish, as well ongoing yearly maintenance/reporting adjustments. The Tax Commission for Remote Sellers reports an estimate of approximately \$3.1 M in one-time expenditures in FY 27 and \$480,000 in recurring expenses in subsequent years for extensive computer system upgrades and yearly maintenance for legislative changes and reporting adjustments. In addition to these expenditures, most, if not all, local tax collector data systems and tax forms would need to be adjusted to capture and report the detailed exemption information necessary to construct the local tax exemption budget publication specified in the bill.

The Legislative Fiscal Office (LFO) cannot independently corroborate the level of expenditures reported by LULSTB and the Tax Commission for Remote Sellers. While no exact aggregate expenditure figure is readily available at this time for all impacted government entities, LFO assumes the total estimated costs of the bill are likely to be significant and exceed the \$100,000 threshold for dual-referral given historical costs of computer system modifications and the number of parishes (63) involved the production of such a publication.

Department of Revenue

Proposed law largely adheres to current practices regarding how the Tax Exemption Budget (TEB) and tax incentive reports are or have been historically published by LDR, with certain modifications. These include changes to the TEB's organizational structure, removal of the stated purpose and parish-level breakdown of claims, and relocation of industry-specific information into a separate report due later in the year. These changes are not expected to result in additional costs to LDR. LDR reports the new "business tax benefit report" will be similar in nature to Volume II of the TEB published in 2020, 2021, and 2022, but without the parish-level exemption information.

REVENUE EXPLANATION

To the extent that proposed law significantly increases expenditures within the Sales and Use Tax Commission for Remote Sellers, proposed law may result in a reduction in SGF and Local Funds reverted at the end of the fiscal year. The Commission retains a 1% collection fee to fund operations. Unused amounts are reverted back to the SGF and local taxing authorities at the end of the fiscal year. The Commission reports that administrative costs are generally split, which means a significant expenditure increase would decrease reversions accordingly.

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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