

## OFFICE OF LEGISLATIVE AUDITOR **Fiscal Note**

Fiscal Note On: HB **503** HLS 15RS 473

Bill Text Version: REENGROSSED

Opp. Chamb. Action: Proposed Amd.:

**Date:** June 3, 2015 1:02 PM Sub. Bill For .: **Author: PYLANT** 

**Dept./Agy.:** Town of Jonesville

**Analyst:** David Greer

**Subject:** Local sales & use tax

RE +\$360,144 LF RV See Note

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TAX/SALES-USE, LOCAL Authorizes the town of Jonesville to levy a sales and use tax

Purpose of Bill: The bill authorizes the Town of Jonesville, subject to voter approval, to levy and collect an additional sales and use tax not to exceed 1%. The additional tax will be collected at the same time and in the same manner as other taxes and will be used for the hardsurfacing, rehabilitation, and resurfacing of streets located within the corporate limits of the town.

EXPENDITURES	<u> 2015-16</u>	2016-17	2017-18	2018-19	2019-20	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>\$189,572</u>	<u>\$360,144</u>	<u>\$360,144</u>	\$360,144	<u>\$360,144</u>	\$1,630,148	
Annual Total	\$189,572	\$360,144	\$360,144	\$360,144	\$360,144	\$1,630,148	
REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	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>\$180,072</u>	<u>\$360,144</u>	<u>\$360,144</u>	<u>\$360,144</u>	<u>\$360,144</u>	<u>\$1,620,648</u>	
Annual Total	\$180,072	\$360,144	\$360,144	\$360,144	\$360,144	\$1,620,648	

## **EXPENDITURE EXPLANATION**

Local fund expenditures will increase in fiscal year 2016, and thereafter for not more than 9 years, pending voter approval of this measure.

The bill provides for the use of the sales tax proceeds for the purpose of street improvements in the Town of Jonesville. It is anticipated that the entire amount of \$180,072 collected in 2015-2016 and \$360,144 each year thereafter will be used for these purposes. An official with the Secretary of State stated that if the election is held alone (not part of a statewide congressional primary or gubernatorial primary election, or any other election where a "state candidate" appears on the ballot), the Town of Jonesville will repay the state for all expenses. The estimated maximum election expenses are \$9,500 in the 2015-2016 fiscal year. The town's cost for the election will be less if the election is held at the same time as the gubernatorial election, depending on the number of items on the ballot, however, we are showing the maximum potential cost.

The sales tax will be collected by the parish and remitted to the Town of Jonesville. The fee for collecting and remitting the tax is 1.25% of collections each month. For 2015-2016 collection expenses will be \$2,251 and each year thereafter will be \$4,502. Collection costs are included in the total expenditures shown above.

## **REVENUE EXPLANATION**

There is an anticipated increase in local revenues in fiscal year 2016, and thereafter for not more than 9 years, pending voter approval of this measure.

An official with the town stated that this sales tax proposal will be placed on the ballot for the October or November 2015 elections. If the sales tax is approved by voters, it will take effect beginning in January 2016. For 2015-2016 it is estimated that the tax will generate \$180,072 and \$360,144 each year thereafter.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	$6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}$	11	/_		
<b>x</b> 13.5.1 >=	\$100,000 Annual Fiscal Cost {S&	&H}		M.	6.	Battle	_
13.5.2 >=	\$500,000 Annual Tax or Fee		6.8(G) >= \$500,000  Tax or Fee Increase	Michael 6	G. Batti	е	
Change {S&H}		or a Net Fee Decrease {S}	Manager, Advisory Services				

or a Net Fee Decrease {S}