		E FISCAL OFFICE al Note				
E Du gara		Fiscal Note On:	HB 36	HLS 162ES	9	
Legisative		Bill Text Version:	ORIGINAL			
Fiscalse		Opp. Chamb. Action:				
		Proposed Amd.:				
		Sub. Bill For.:				
Date: June 7,	2016 9:15 AM	Αι	uthor: JAMES			
Dept./Agy.: Revenue	e					
Subject: Exempts certain items from state sales tax		An	Analyst: Deborah Vivien			

TAX/SALES-USE, STATE

Subject: Exempts certain items from state sales tax

OR DECREASE GF RV See Note

Page 1 of 2

Provides with respect to the applicability of certain exclusions and exemptions from state sales and use taxes (Item #16)

Current law taxes purchases of tangible personal property and certain services under 4 state sales tax impositions: 1%, 2%, 1.97% and 1% for a total of 4.97%, though not all items are taxed at the maximum rate. Items specifically exempt from taxation through 6/30/18 are listed under R.S. 47:302 (2%) and 47:321.1 (1%). Various taxable transactions will be exempt from state sales tax beginning 7/1/18.

Proposed law exempts certain transactions from 3% of state sales taxes imposed under R.S. 47:302 (2%) and 47:321.1 (1%) by adding these items to the exemption list of each imposition. The exemption will begin 7/1/16. A list of call items in the bill is included on page 2 of the note. Certain items will remain taxable at 1% as they were prior to the 2016 First Extraordinary Session. The bill defines isolated or occasional sales with certain restrictions including 6 or fewer sales annually, \$3,000 annual maximum, receipts, no brokered or auctioned sales except online, and eliminating airplane except antique, and boat sales, among others. Items no longer considered isolated or occasional sales appear to be taxed at 5%.

EXPENDITURES	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	2020-21	<u>5 -YEAR TOTAL</u>
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>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0
REVENUES	2016-17	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	DECREASE	\$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	DECREASE	DECREASE	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total			\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

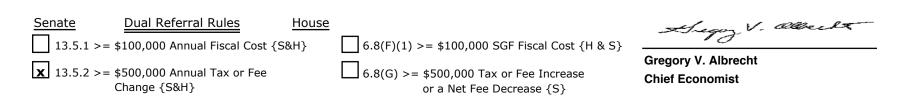
The bill provides an exemption from state sales tax, and to the extent that these transactions occur and are exempt from state sales tax on or after 7/1/16, state receipts will be lower than they wold be otherwise. Reporting associated with this exemption is included in the aggregate "other" category on the state sales tax form which does not provide specific data reflecting these particular transactions. However, the cumulative effect of changes to taxes reported in the "other" category may be substantial depending upon the number and type of similar exemptions enacted this session.

Restricting the definition of isolated or occasional sales could increase sales tax collections by an unknown amount as certain items previously considered isolated or occasional sales appear to be taxed at the full 5% current tax rate. Any increase in collections due to this definition will offset the decrease in receipts due to the reapplication of exemptions also included in the bill.

To the extent transactions are exempted from taxation, revenue collections are lower than they would otherwise be, even if specific foregone revenue amounts are not known. The effect of bills such as this are incorporated by utilizing forecasts at the lower end of the range of possible forecasts, and the actual lower collections history becomes the basis for future revenue forecasts.

The bill will have no impact in FY 19 and beyond as these transactions are already exempt at that time under current law.

Call numbers 7-34.



Leg	sjaria Slative	Bill Text	Version: ORIGINAL	HLS 162ES 9
	ROffice A Antes		ed Amd.: Bill For.:	
	Date: June 7, 2016	9:15 AM	Author: JAMES	
-	Agy.: Revenue	me from stato salos tax	Analyst: Deborah	Vivien
	ject: Exempts certain ite			
Call	NUED EXPLANATION from Call	page one:		Page 2 of 2
Item	Language			R.S. Citation
7		c and entertainment events for elementary and second		47:301(14)(b)(i
3		buth-serving organization chartered by the United State	-	47:301(10)(h)
Ð		ys State of Louisiana, Inc. and Girls State		1(7)(g) and (10)(r)
LO	_	le personal property by food banks	-	D)(j) and (18)(a)(i)
.1	Sales of room rentals by a ca	np or retreat facility owned by a nonprofit organizatior	IS	47:301(6)(b)
.2	Sales of room rentals by a ho	meless shelter		47:301(6)(c)
.3	Sales , leases, rentals, and us and secondary schools who c	e of educational materials and equipment by parochia omply with Dodd Brumfield	l and private elementary 47:301(7)(f), (10)(q) <i>(assumed to be corre</i>	
4	Sales by parochial and private	e elementary and secondary schools that comply with D	odd Brumfield 47:301(10)(c	ı)(i) and (18)(e)(i)
5	Sales by nonprofit entities the	t sell donated goods and spend revenue on training or	employment of persons with	n disabilities 47:301(8)(f)
.6	Isolated or occasional sales		47	:301(10)(c)(ii)(bb
.7	Sales or purchases of fire-figh	ting equipment by volunteer fire departments		47:301(10)(o
L8	Hospitals that provide free ca	re to all patients	47:301(7)(e), (2	10)(p), and (18)(c
9	Sales of membership fees or	dues of nonprofit, civic organizations		47:301(14)(b)(i
20		inment events sponsored by domestic nonprofit charit e eligible for 0% under Item Item 24)	able, religious or educational	organizations 47:305.13
21	Sales of admissions to enterta (still taxable at 1%)	inment events by Little Theater		47:305.6
22	Sales of admissions to musical performances sponsored by nonprofit organizations (still taxable at 1%)			47:305.7
23	Sales of admissions and parking fees at fairs and festivals sponsored by nonprofit organizatio (still taxable at 1% but may be eligible for 0% under Item Item 24)		ganizations	47:305.18
24	Sales of admissions, parking fees, and sales of tangible personal property at events sponsored by		sponsored by nonprofit orga	nizations 47:305.14(A)(1)
25 d)	Sales of human tissue transp	ants		47:301(10)
26	Sales or use of materials used directly in the collection of blood			47:301(16)(j
27 (k)	Sales or use of apheresis kits	and Leuko reduction filters		47:301(16)
28	Sales or use of orthotic device	es, prosthetic devices, and wheelchairs prescribed by p	hysicians, optometrists or ch	niropractors 47:305(D)(1)(k)
29	Sales or use of ostomy, colos	comy, and ileostomy devices and equipment		47:305(D)(1)(l
0	Sales or use of adaptive drivi	ng equipment and motor vehicle modifications prescribe	ed for personal use	47:305(D)(1)(u
1	Purchase or rental of kidney of	lialysis machines, parts, materials, and supplies		47:305(G
2	Sales of meals by educationa	institutions, medical facilities, mental institutions	47:	:305(D)(2)
33	Purchases of fishing boats, su	pplies, fuels, lubricants, and repairs for the boats of lic	ensed commercial fisherman	47:305.20
34	Salos of hutano propano or	other liquified petroleum gases for private, residential o		47:305.39

<u>Senate</u>	Dual Referral Rules Hous	<u>e</u>	Shego V. allecta
13.5.1 >=	\$100,000 Annual Fiscal Cost {S&H}	6.8(F)(1) >= \$100,000 SGF Fiscal Cost H & S	- 18
x 13.5.2 >=	\$500,000 Annual Tax or Fee Change {S&H}	6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	Gregory V. Albrecht Chief Economist