le la	LEGISL	ATIVE FISCAL OFFICE Fiscal Note				
Louisiana		Fiscal Note On:	НВ	51	HLS 162ES	30
Legiative		Bill Text Version:	ENROI	LED		
Fiscality		Opp. Chamb. Action:				
		Proposed Amd.:				
		Sub. Bill For.:				
Date: June 24, 2016	10:37 AM	Author: MORRIS, JIM				
Dent /Agy · Revenue						

 Dept./Agy.: Revenue

 Subject:
 Exempts certain items from state sales tax
 Analyst: Deborah Vivien

TAX/SALES-USE, STATE

EN DECREASE GF RV See Note

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Provides with respect to the effectiveness of certain exclusions and exemptions from state sales and use taxes (Items #7-34)

<u>Current law</u> 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.

<u>Proposed law</u> 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.

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

EXPENDITURE EXPLANATION

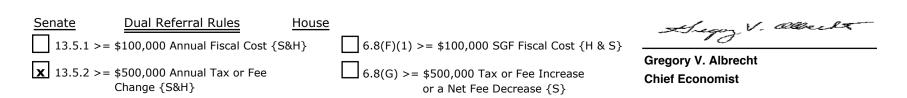
There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The bill provides exemptions 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 less than they would otherwise be. Reporting associated with these exemptions 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 exemptions enacted this session.

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.



Leg	LEGISLATIVE FISCA Fiscal Note Fiscal Note Fiscal Note		HLS 162ES 30		
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	bject: Exempts certain items from state sales tax	· ·····,·····			
all	INUED EXPLANATION from page one: Call		Page 2 of 2		
tem			R.S. Citation		
	Sales of admissions to athletic and entertainment events for eleme		47:301(14)(b)(i		
	Sales of food products by a youth-serving organization chartered b		47:301(10)(h		
	Sales, leases, or rentals to Boys State of Louisiana, Inc. and Girls S	State 47	':301(7)(g) and (10)(r		
D	Sales and donations of tangible personal property by food banks	47:30	1(10)(j) and (18)(a)(i)		
L	Sales of room rentals by a camp or retreat facility owned by a non	profit organizations	47:301(6)(b)		
2	Sales of room rentals by a homeless shelter		47:301(6)(c		
3	Sales , leases, rentals, and use of educational materials and equip and secondary schools who comply with Dodd Brumfield	47:301(7)(f), (10	,)(q)(ii), and (18)(c)(ii corrected to (18)(e)(ii)		
1	Sales by parochial and private elementary and secondary schools t	hat comply with Dodd Brumfield 47:301(1	.0)(q)(i) and (18)(e)(i)		
5	Sales by nonprofit entities that sell donated goods and spend reven	nue on training or employment of persons	with disabilities 47:301(8)(f)		
5	Isolated or occasional sales		47:301(10)(c)(ii)(bb		
,	Sales or purchases of fire-fighting equipment by volunteer fire dep	artments	47:301(10)(o		
3	Hospitals that provide free care to all patients	47:301(7)(6	e), (10)(p), and (18)(c		
)	Sales of membership fees or dues of nonprofit, civic organizations		47:301(14)(b)(i		
D	Sales of admissions to entertainment events sponsored by domest (still taxable at 1% but may be eligible for 0% under Item Item 24		onal organizations 47:305.13		
1	Sales of admissions to entertainment events by Little Theater (still taxable at 1%)		47:305.6		
2	Sales of admissions to musical performances sponsored by nonpro- (still taxable at 1%)	fit organizations	47:305.7		
3	Sales of admissions and parking fees at fairs and festivals sponsore (still taxable at 1% but may be eligible for 0% under Item Item 24		47:305.18		
1	Sales of admissions, parking fees, and sales of tangible personal p	roperty at events sponsored by nonprofit o	organizations 47:305.14(A)(1)		
5	Sales of human tissue transplants		47:301(10)		
5	Sales or use of materials used directly in the collection of blood		47:301(16)(j		
,)	Sales or use of apheresis kits and Leuko reduction filters		47:301(16)		
3	Sales or use of orthotic devices, prosthetic devices, and wheelchair	s prescribed by physicians, optometrists o	or chiropractors 47:305(D)(1)(k		
)	Sales or use of ostomy, colostomy, and ileostomy devices and equ	pment	47:305(D)(1)(I		
)	Sales or use of adaptive driving equipment and motor vehicle mod	fications prescribed for personal use	47:305(D)(1)(u		
	Purchase or rental of kidney dialysis machines, parts, materials, ar	d supplies	47:305(G		
2	Sales of meals by educational institutions, medical facilities, menta	linstitutions	47:305(D)(2)		
3	Purchases of fishing boats, supplies, fuels, lubricants, and repairs f	or the boats of licensed commercial fisher	man 47:305.20		
1	Sales of butane, propane, or other liquified petroleum gases for pri	vate, residential consumption	47:305.39		
	Sales and purchases by certain organizations that provide training	for blind norcons	47:305.15		

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}	$6.8(F)(1) > = $100,000 \text{ SGF Fiscal Cost } \{H \& S\}$	Sheggy V.
x 13.5.2 >= \$500,000 Annual Tax or Fee	6.8(G) >= \$500,000 Tax or Fee Increase	Gregory V. Albrecht
Change {S&H}	or a Net Fee Decrease {S}	Chief Economist