	LEGISL	ATIVE FISCAL O Fiscal Note	FFICE							
EDHNARA -			Fiscal Note On:	SB	529	SLS	18RS	1876		
Legillative	Bill Text Version: ORIGINAL									
FiscalitOffice			Opp. Chamb. Action:							
			Proposed Amd.:							
PISCIU NOIES	Sub. Bill For.:									
Date: April 8, 2018	3:52 PM Author: APPEL									
Dept./Agy.: TAX/SALES										

 Subject: Direct Payment Numbers for Certain Nonprofit Subsidiaries
 Analyst: Benjamin Vincent

 TAX/SALES
 OR NO IMPACT GF RV See Note
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Provides for direct payment of state and local sales tax due on purchases by certain nonprofit subsidiaries. (7/1/18)

<u>Present law</u> provides that purchasers may apply for Direct Pay (DP) numbers allowing them to remit sales and use taxes directly, instead of remitting them to their vendors, if they make purchases amounting to an average of \$5 million over a three year period. Private, nonprofit, tax-exempt organizations are included in this authorization.

<u>Proposed law</u> authorizes taxpayers that are subsidiary entities of a private, tax-exempt, nonprofit organization that otherwise meet DP requirements to obtain DP numbers from the Secretary of the LA Dept. of Revenue (LDR).

Effective July 1, 2018.

EXPENDITURES	2018-19	2019-20	<u>2020-21</u>	2021-22	2022-23	<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	<u>2018-19</u>	2019-20	2020-21	2021-22	<u>2022-23</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

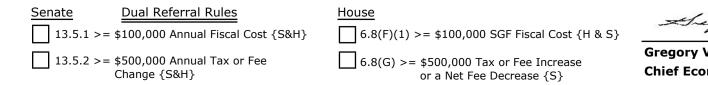
EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

Proposed law would allow a qualifying subsidiary entity of private, tax-exempt, nonprofit organizations to obtain a DP number. Obtaining a DP number would change the entity that would accrue, report, and remit the taxes owed from the subsidiary entity's vendors to the subsidiary entity itself. Total tax liabilities, and presumably payments, are unaffected.

No material revenue impact is anticipated, as proposed law does not impact the taxes owed by any affected taxpayers.



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