

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 4** HLS 182ES 1
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 22, 2018 7:28 PM	Author: CONNICK
Dept./Agy.: REVENUE	Analyst: Benjamin Vincent
Subject: Sales Tax: Permanently retain part of temporary levy	

TAX/SALES-USE, STATE OR +\$453,000,000 GF RV See Note Page 1 of 1
 Makes 0.5% of the temporary levy in R.S. 47:321.1 permanent.

Current law subjects certain transactions to a levy of 1% via R.S. 47:321.1. This levy is scheduled to expire on June 30, 2018.

Proposed law provides that the temporary levy in R.S. 47:321.1 becomes permanent at a rate of 0.5% on July 1, 2018. The levy will apply to the same base of transactions that it applied to in FY17 and FY18.

Effective July 1, 2018.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$453,000,000	\$453,000,000	\$453,000,000	\$453,000,000	\$453,000,000	\$2,265,000,000
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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$453,000,000	\$453,000,000	\$453,000,000	\$453,000,000	\$453,000,000	\$2,265,000,000

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

Proposed law makes the temporary levy in R.S. 47:321.1 permanent and reduces the rate to 0.5%, effective July 1, 2018. The total tax rate that transactions will be subject to in general will be 4.5%.

Based on sales tax collections reported by levy in FY17 by LA Dept. of Revenue (LDR), proposed law will generate an estimated \$404 million in sales & use tax revenue from general sales. An additional \$49 million is anticipated from motor vehicle sales.

The total estimated revenue impact of proposed law is \$453 million.

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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