



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **SB 200** SLS 21RS 252
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 17, 2021	1:57 PM	Author: MCMATH
Dept./Agy.: Revenue		Analyst: Benjamin Vincent
Subject: Sales Tax Exemption: Certain Live Entertainment Events		

TAX EXEMPTIONS OR DECREASE GF RV See Note Page 1 of 1
 Exempts admissions to certain live entertainment events from state sales and use tax. (gov sig)

Current law subjects purchases of tangible personal property to a combined state sales and use tax rate of 4.45%. 0.45% of the 4.45% is levied via R.S. 47:321.1, which will expire on June 30, 2025. At that time, these purchases will be subject to a combined state rate of 4%.

Proposed law creates a new exemption for admission to live entertainment events held at certain Louisiana facilities, and provides that the exemption will be temporarily effective from July 1, 2021 through June 30, 2023.

Effective upon governor's signature. If the governor withholds his signature, proposed law is effective upon expiration of the time for bills to become law as provided by the Constitution, and the exemption would apply from August 1, 2021 through June 30, 2023. Fiscal note assumes effectiveness on July 1, 2021.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	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>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total			\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

LDR anticipates that accommodating the addition and subsequent removal of a new and temporary exemption will impose a minor additional expenditure in FY21 and FY22 of approximately \$26,000 for tax form modification and system costs.

REVENUE EXPLANATION

Proposed law defines admission to certain eligible live entertainment events at certain eligible facilities, and provides for a full exemption for these events from state sales and use tax. The definitions generally provide an exemption for concerts at typical limited-entry concert venues, such as stadiums, arenas, theaters, music halls, etc., provided that the facility has a minimum capacity of 2,400 attendees.

Proposed law would cause a reduction in general fund revenue collections, and a small reduction in dedicated fund revenues. This is reflected in the table above as entirely general fund, but approximately 1% of the total revenue reduction will impact the Tourism Promotion District and LED Marketing Funds.

A reliable estimate of the magnitude of the revenue impact of the exemption in the two fiscal years is currently indeterminable, as LDR does not have an existing exemption, prior exemption, or specific reporting requirement for these transactions. For informational purposes, an estimate based on general market research suggests that a typical year's concert admission sales may total approximately \$90 million, implying a \$4 million revenue reduction. This figure would represent an upper bound, as some open air festivals and some venues with capacities under 2,400 are likely included in the general market information.

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}

Gregory V. Albrecht
 Chief Economist