

**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**



Fiscal Note On: **SB 77** SLS 21RS 278  
 Bill Text Version: **ENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 27, 2021	3:56 PM	<b>Author:</b> MIZELL
<b>Dept./Agy.:</b> OMV/LDR		<b>Analyst:</b> Benjamin Vincent
<b>Subject:</b> Sales Tax Exemption: Certain School Buses		

TAX/SALES EG DECREASE GF RV See Note Page 1 of 1  
 Exempts purchases of certain school buses from sales and use tax. (7/1/21)

Present law provides that the exemption for purchases of school buses by independent operators when used for a public school system is suspended through June 30, 2025.

Proposed law reinstates the suspended exemption, and expands the exemption to include nonpublic elementary or secondary schools, and lifts the requirement that the bus be operated by an independent operator.

Effective July 1, 2021.

<b>EXPENDITURES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

No anticipated direct material effect on governmental expenditures as a result of this measure was reported.

**REVENUE EXPLANATION**

Proposed law would reinstate and expand the currently-suspended exemption on purchases of school buses. While the existing suspended exemption applies only to purchases made by independent operators, proposed law would make purchases by others eligible as well. Additionally, purchases for buses that service nonpublic schools would be made eligible for the exemption.

The revenue impact of reinstating and expanding the exemption would be an indeterminable decrease in general fund collections. Present law provides that the existing exemption would resume in FY26, resulting in a smaller, but also indeterminable, reduction in general fund revenues for FY26 and all following years due to the expansion of the existing exemption.

For information purposes, Tax Exemption Budget data indicates that in the years prior to the temporary suspension of the existing exemption for certain school buses, the value of the existing exemption alone averaged approximately \$500,000 annually. This estimate would likely represent a lower bound, as proposed law expands the existing suspended exemption.

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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