

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 129** SLS 22RS 360

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 17, 2022	10:44 AM	Author: MORRIS, JAY
Dept./Agy.: Local		Analyst: Emily DiPalma
Subject: Local Tax Exemptions: Infused or Injected RX Drugs		

TAX/LOCAL OR DECREASE LF RV See Note Page 1 of 1
Exempts certain infused or injected prescription drugs from local sales tax. (7/1/22)

Current Law provides for a mandatory local sales and use tax exemption for certain infused prescription drugs when administered exclusively to the patient at a physician's office where patients are not regularly kept as bed patients for 24 hours or more. The current law names 23 specific diseases and conditions for which this exemption applies.

Proposed Law expands the mandatory local sales tax exemption to add midlevel providers to the list of health care professionals who may administer the medication, adds injections to the treatment type covered and changes the office type from physician's office to Medical Clinic where patients are not regularly kept as bed patients for 24 hours or more. Proposed law also expands the exemption to 19 additional diseases and conditions for which these treatments and medications are prescribed.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	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	2022-23	2023-24	2024-25	2025-26	2026-27	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	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Annual Total						

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

Proposed law can only work to reduce local sales tax revenues by some indeterminable amount from what they would otherwise be. Information regarding the aggregate taxable value of these medications, procedures and treatment locations is not available. The revenue impact for any particular political subdivision will vary depending on the tax rate applied to these transaction within each subdivision, and the extent to which each subdivision currently exempts prescription drugs generally.

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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