



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 500** SLS 24RS 596
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.: **REVISED**

Date: April 7, 2024 4:54 PM	Author: REESE
Dept./Agy.: LA Gaming Control Board & Local Taxes	Analyst: Noah O'Dell
Subject: Local Taxes on Non-gaming Incentives & Inducements	

TAX/TAXATION OR SEE FISC NOTE LF RV See Note Page 1 of 1
 Provides relative to the levy of local fees and taxes on certain non-gaming incentives or inducements granted by certain licensees. (gov sig)
Current law provides for the levying of local sales and use tax upon certain tangible personal property and services as a percentage of the transaction value, including a valuation for considerations other than cash. Taxable items and services may include food, beverages, admission to entertainment, hotel stays, and parking among many. Current law provides exceptions for the land-based casino in New Orleans and the Southwest LA Convention and Visitors Bureau (SLCVB) by establishing the valuation of certain gratis or discounted inducements for purposes of taxation. Current law authorizes local taxes and fees on net gaming proceeds. Proposed law retains current law in regard to local taxes and fees on net gaming proceeds and the sales tax exceptions for SLCVB and the land-based casino in New Orleans. Proposed law limits a local sales tax on non-gaming incentives or inducements granted by a riverboat or slot machine licensee to the actual cash value of the transaction. This local taxing limitation is retroactive to the enactment of legislation providing the first licenses for riverboats and slots at the track. The LA Gaming Control Board may promulgate rules. Effective retroactively to 1991.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	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	2024-25	2025-26	2026-27	2027-28	2028-29	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	SEE BELOW					
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The LA Gaming Control Board within the Department of Public Safety reports the Board will be able to comply with the proposed measure using existing resources. Local governments should be able to absorb related expenses due to the number of impacted remitters in each jurisdiction. Legal expenses are not considered.

REVENUE EXPLANATION

Proposed law is anticipated to decrease local sales and use taxes collected from riverboats and slots at the track by an indeterminable amount if these funds are currently being remitted. The bill limits local sales tax to the actual cash changing hands during the transaction, which is anticipated to be what is being remitted to locals now, though LFO was unable to substantiate with actual data due to time limitations. It stands to reason that unless an established value other than the actual cash transaction has been agreed upon (such as with SLCVB and the land-based casino), standard taxing systems would likely base sales tax calculations on the actual cash value of the sale and not an outside valuation.

The bill is retroactive back to the enactment date establishing the first licenses for riverboat and slots at the track (1991 and 1997, respectively). Presumably, any local sales tax proceeds remitted since then that were based on a transactional amount greater than the actual cash value would be refunded and not collected in the future, causing a decrease in local funds throughout the fiscal horizon. Alternatively, if no local sales tax proceeds were remitted based on transactional amounts in excess of the actual cash value, there would be no impact in the future.

Due to the retroactive nature of the bill, the Legislative Fiscal Office (LFO) cannot discern the extent to which local governments will be impacted if taxpayers were not remitting on the fair market value of taxes due.

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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