



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 149** HLS 25RS 11
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: April 8, 2025	5:55 PM	Author: BRYANT
Dept./Agy.: Revenue		
Subject: SALES/USE TAX EXEMPTION FOR CHARTER BOAT FISHING		Analyst: Mimi Blanchard

TAX/SALES-USE-EXEMPT OR DECREASE GF RV See Note Page 1 of 1
Provides relative to tax exemptions for charter boat fishing guides

Current law provides a state and local sales exemption from sales and use tax for Louisiana residents who hold a valid Louisiana commercial fishing license as required for commercial fishing activities and own vessels used primarily for commercial fishing operations. At least 50% of income must be from commercial fishing, and the catch must be for human consumption. Exempt purchases include repairs to the vessel or facility that become a component of the vessel, materials and supplies loaded on the vessel for use in the maintenance and operation of commercial fishing ventures, and vessel repair services and vessel lubricant.

Proposed law retains current law and extends this exemption to include Louisiana residents who possess a valid Louisiana charterboat fishing guide license with the other eligibility and transactional requirements the same as a commercial fisherman.
Effective August 1, 2025

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	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	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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						

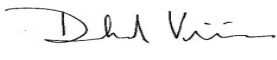
EXPENDITURE EXPLANATION
There is no anticipated direct material effect on governmental expenditures as a result of this measure. LFO anticipates that the state and local exemption will be accommodated with the processes and resources involved in the existing commercial fisherman exemption, though the LDR fiscal note response is still pending.

REVENUE EXPLANATION
Proposed law is expected to decrease state and local revenues by extending the existing sales and use tax exemption for commercial fishermen to include licensed charter boat fishing guides.

According to the Department of Wildlife and Fisheries (LDWF), there are roughly 900 licensed charter boat guides who are residents of the state. However, only 10 of these are certified charter boat captains—those who have provided documentation of at least 50% of their income is derived from charter fishing operations. These certified guides may provide a more reliable basis for estimating the magnitude of the fiscal impact. LDWF reports that a significantly larger number of charter boat guides likely meet the 50% income threshold but have not sought certification, as the current primary benefit is eligibility for federal disaster relief funds. LDWF anticipates that many more guides will seek certification if the proposed exemption is enacted.

The exact fiscal impact is not readily quantifiable due to the lack of data on exempt purchases, and therefore the magnitude of the revenue decrease remains unknown. As a rough estimate of the revenue reduction in the bill, if a charter boat guide spends \$20,000 annually on eligible taxable expenses, \$1,000 in state sales tax would be generated. Then, if all 900 licensed charter boat guides spent similarly and qualified for the exemption in the bill (not likely), SGF revenue would decrease by \$900,000. This figure should be treated with caution and could be much larger since \$20,000 in annual expenses may not be realistic. For instance, vessel purchases could increase this figure substantially and guides may have a higher turnaround of vessels.

The impact to local revenue statewide would be the same general magnitude as that of the state.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	Deborah Vivien
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	Chief Economist