



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 328** HLS 25RS 820  
Bill Text Version: **ORIGINAL**  
Opp. Chamb. Action:  
Proposed Amd.:  
Sub. Bill For.:

<b>Date:</b> April 25, 2025	6:29 PM	<b>Author:</b> FIRMENT
<b>Dept./Agy.:</b> Department of Revenue		
<b>Subject:</b> Income Tax Credit: Equip. in Certain Commerical Vehicles		<b>Analyst:</b> Noah O'Dell

TAX CREDITS OR DECREASE GF RV See Note Page 1 of 1  
Establishes a tax credit for the installation of dashboard cameras and telematics systems in certain commercial vehicles

Current law defines a freight-carrying vehicle as every motor vehicle designed for and used primarily as a carrier of freight transported for commercial purposes, in which the vehicle is licensed for 6,000 lbs or more. This excludes any passenger-carrying vehicle and pick-up or panel trucks unless the trucks are so heavily loaded with such freight as to exceed 6,000 lbs.

Proposed law allows for a nonrefundable tax credit against state individual, corporate, or fiduciary income tax liabilities for 25%, up to \$250 per vehicle, of the purchase and installation costs of a dashboard camera or a telematics system in freight-carrying vehicles. Each taxpayer is limited to \$10,000 in credits per taxable year with a 5 year carryforward. The total amount of credits awarded each year not to exceed \$1M. The purchase/installation must occur during the taxable year for which the credit is claimed. Taxpayers claiming the credit must maintain records and, if requested, provide them to the Dept. of Revenue (LDR) when filing a return. No credits may be claimed after tax year 2031. Eff. for tax years 2026-2031.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$178,317	\$96,116	\$99,000	\$101,970	\$475,403
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	\$178,317	\$96,116	\$99,000	\$101,970	\$475,403

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	DECREASE	DECREASE	DECREASE	DECREASE	\$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

**EXPENDITURE EXPLANATION**  
The bill is anticipated to increase \$178,317 SGR and one (1) T.O. in the Department of Revenue (LDR) in FY27. One time costs of \$85,000 are expected in FY27 related to computer system development and return modifications. LDR reports one Revenue Tax Specialist 1 with a salary and related benefits of \$93,317 will be necessary beginning in FY27 to review and process returns claiming the proposed credit. The department reports the ability to absorb this amount within its current budget but may require additional resources if the aggregate impact of all bills enacted during this session is substantive.


**REVENUE EXPLANATION**  
The bill can only serve to decrease general fund revenue which would begin in FY27 when 2026 tax returns are first filed. The LFO has no basis for estimating the anticipated revenue loss associated with the nonrefundable credits offered to taxpayers under the bill. The uncertainty is due to unknown factors such as how many taxpayers may be willing to purchase a dashboard camera or telematics system for freight-carrying vehicles or the amount of money that may be spent on such purchases. The most credits that may be claimed in aggregate any given year is limited to \$1M and each taxpayer is limited to \$10,000 per taxable year.

The Office of Motor Vehicles estimates there are approximately 82,900 vehicles currently registered in the state that fit the criteria for freight-carrying vehicles, although the delineation between private and commercial may leave room for potential error. LFO has no basis for estimating how many of these vehicles already have dashboard cameras or telematics systems or how many taxpayers may be enticed to make such purchases for new or existing vehicles in any given year. To illustrate the potential exposure to the general fund, 4,000 taxpayers claiming \$250 credits would cause the program to hit the \$1M cap each year.

Qualifying equipment is the bill is defined as a dashboard camera or telematics system in a freight-carrying vehicle. A telematics system means a technology that combines telecommunications and informatics to collect, transmit, an analyze data from the vehicle such as vehicle location, speed, fuel consumption, driver behavior, maintenance needs, etc.

LFO cannot determine an impact if a backlog of credits is in place when the ability to make claims ends in tax year 2032.

Note: The SGF impact may originate as the LDR retention of 1% of income and sales tax collections initially classified as SGR but ultimately reverted to the SGF for use in the budget. Should LDR reversions cease, this could become an SGR impact.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input checked="" 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}	<b>Deborah Vivien</b> <b>Chief Economist</b>