



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 313** HLS 25RS 746

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 1, 2025	11:36 AM	Author: LYONS
Dept./Agy.: Revenue		
Subject: SALES/USE-EXEMPT. CHILD ADVOCACY CENTERS		Analyst: Mimi Blanchard

TAX/SALES-USE-EXEMPT

OR -\$275,000 GF RV See Note

Page 1 of 1

Exempts purchases made by child advocacy centers from state and local sales and use taxes

Proposed law provides for a state and local sales and use tax exemption for all taxable purchases made by the Louisiana Alliance of Children's Advocacy Centers (LACAC) and other nonprofit entities operating as child advocacy centers, as provided for in Children's Code Article 521. To qualify for the exemption, the entities must be governed by a child advocacy board of directors and comply with the requirements set forth in Chapter 2 of Title V of the Louisiana Children's Code. These include: (1) having a multidisciplinary investigative team in full compliance with statutory requirements; (2) having a formal agreement for use of the center's services executed by the district attorney, the Department of Children and Family Services, the coroner, the sheriff, and other relevant law enforcement agencies; and (3) being established through the issuance of a nonprofit corporation certificate or a formal agreement with an existing nonprofit or governmental unit to create and manage the center. Proposed law requires eligible organizations to apply annually for a one-year exemption certificate with the Department of Revenue (LDR). Effective July 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.	SEE BELOW	\$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	\$0	\$0	\$0	\$0	\$0
Annual Total		\$0	\$0	\$0	\$0	\$0

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	(\$275,000)	(\$275,000)	(\$275,000)	(\$275,000)	(\$275,000)	(\$1,375,000)
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	(\$275,000)	(\$275,000)	(\$275,000)	(\$275,000)	(\$275,000)	(\$1,375,000)
Annual Total	(\$550,000)	(\$550,000)	(\$550,000)	(\$550,000)	(\$550,000)	(\$2,750,000)

EXPENDITURE EXPLANATION

LDR reports estimated implementation costs of approximately \$52,750 for system programming, testing, and development associated with administering the exemption, which will be absorbed within the agency's existing budget. Local taxing authorities may also incur minor administrative costs to update collection systems and confirm exempt status for eligible entities.

REVENUE EXPLANATION

Proposed law provides for a state and local sales and use tax exemption for purchases made by the LACAC and 14 other nonprofit entities operating as child advocacy centers, as specified in the bill. SGF and local revenue will be decreased by an estimated \$275,000 annually.

According to LACAC, there are currently 14 nonprofit child advocacy centers in addition to LACAC, for a total of 15 potentially eligible entities. LACAC's reported annual sales tax liability for FY 24 was \$28,600. The average sales tax liability reported by six other centers that responded to the request was between \$15,000 and \$20,000 annually. If the average of \$17,500 is applied to the remaining 14 eligible entities and combined with LACAC, the total revenue impact is estimated at approximately \$275,000 in SGF revenue loss with a like amount in local sales tax annually. Actual revenue losses will depend on the volume, price and location of taxable purchases made by each entity.

LDR reports that they will experience a slight reduction in self-generated revenue from the 1% of collections retained for administrative purposes.

Senate

Dual Referral Rules

House

☐ 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

☐ 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}



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