



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: SB 51 SLS 11RS 290

Bill Text Version: ORIGINAL

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 18, 2011	4:09 PM	Author: ALARIO
Dept./Agy.: Revenue		
Subject:		Analyst: Deborah Vivien

TAX EXEMPTIONS

OR -\$40,000 GF RV See Note

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Provides for a sales and use tax exemption for certain purchases by the Fore!Kids Foundation. (7/1/11)

Proposed law provides an exemption from state and local sales and use tax on the purchase, use or rental of materials, services, property and supplies by the For!Kids Foundation, whose primary purpose is to fund children’s service organizations from monies raised from golfing events.

Effective July 1, 2011.

EXPENDITURES	2011-12	2012-13	2013-14	2014-15	2015-16	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	2011-12	2012-13	2013-14	2014-15	2015-16	5 -YEAR TOTAL
State Gen. Fd.	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$200,000)
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	(\$47,500)	(\$47,500)	(\$47,500)	(\$47,500)	(\$47,500)	(\$237,500)
Annual Total	(\$87,500)	(\$87,500)	(\$87,500)	(\$87,500)	(\$87,500)	(\$437,500)

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

The Fore!Kids Foundation hosts the Zurich Classic of New Orleans PGA Tournament, the Golf Ball Gala black tie event, a kids’ summer junior golf tour and several charitable golf tournaments. Proceeds from the events help fund children’s service organizations.

As reported by the Fore!Kids Foundation and verified by the Department of Revenue, total taxable spending by the Fore!Kids Foundation is estimated at \$2.5 million per year, which would generate \$100,000 in state sales tax (4%) and about \$118,750 in local sales tax (assuming a 4.75% rate). However, only about \$1 million of annual spending takes place in Louisiana due to the specialized nature of the products purchased, such as golf equipment from certain manufacturers and custom-made tents. While there may be a use tax liability, based on actual remittances, the annual impact to the state of the proposed legislation is about \$40,000 in general fund revenue loss and about \$47,500 in local funds lost.

Senate	Dual Referral Rules	House	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost		<input type="checkbox"/> 6.8(F) >= \$100,000 Annual SGF Cost	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease	<div><div></div><div>Gregory V. Albrecht Chief Economist</div></div>