



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 568** HLS 12RS 1217

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

|                                                                         |         |                                |
|-------------------------------------------------------------------------|---------|--------------------------------|
| <b>Date:</b> March 12, 2012                                             | 2:11 PM | <b>Author:</b> BISHOP, WESLEY  |
| <b>Dept./Agy.:</b> Revenue                                              |         |                                |
| <b>Subject:</b> Local sales tax exemption for St. Bernard Project, Inc. |         | <b>Analyst:</b> Deborah Vivien |

TAX/SALES-USE, LOCAL-EXEM

OR -\$125,000 LF RV See Note

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Provides for a local sales and use tax exemption for sales of certain property to the "St. Bernard Project, Inc."

Proposed law provides a local sales tax exemption for the St. Bernard Project, Inc., for materials intended for use in rehabilitating or constructing new residential dwellings in the state.

Effective July 1, 2012.

| EXPENDITURES   | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 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       | 2012-13     | 2013-14     | 2014-15     | 2015-16     | 2016-17     | 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    | (\$125,000) | (\$130,000) | (\$133,000) | (\$136,000) | (\$139,000) | (\$663,000)   |
| Annual Total   | (\$125,000) | (\$130,000) | (\$133,000) | (\$136,000) | (\$139,000) | (\$663,000)   |

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

The revenue loss at the local level is in direct relation to the St. Bernard Project plans. The St. Bernard Project provides housing related to disaster rebuilding and affordable housing for vulnerable families, disabled residents, and senior citizens in the Greater New Orleans area. According to the St. Bernard Project, future plans include purchasing supplies related to the building or rehabilitation of roughly 100 homes per fiscal year with annual expenditures of about \$2.5 million per year. The table above reflects 5% of this cost since local sales tax in the Greater New Orleans area is about 5%.

|                                                                             |                     |                                                                                            |                                               |
|-----------------------------------------------------------------------------|---------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------|
| Senate                                                                      | Dual Referral Rules | House                                                                                      |                                               |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}       |                     | <input type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}                       |                                               |
| <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} | <b>Gregory V. Albrecht</b><br>Chief Economist |