



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 1096** HLS 12RS 2232

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 18, 2012	4:39 PM	Author: BILLIOT
Dept./Agy.: Revenue		
Subject: Extends the Louisiana Tax Free Shopping Program		Analyst: Greg Albrecht

TAX/SALES & USEEG -\$1,000,000 GF RV See NotePage 1 of 1

Re-creates the Louisiana Tax Free Shopping Program

Present law provides that the Louisiana Tax Free Shopping Program, a sales tax refund program for foreign visitors to the state, is effective through July 1, 2013 (FY13).

Proposed law extends the termination date to July 1, 2017 (four years FY14 - FY17).

Effective upon governor's signature.

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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$4,000,000)
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	<u>\$0</u>	<u>(\$1,170,000)</u>	<u>(\$1,170,000)</u>	<u>(\$1,170,000)</u>	<u>(\$1,170,000)</u>	<u>(\$4,680,000)</u>
Annual Total	\$0	(\$2,170,000)	(\$2,170,000)	(\$2,170,000)	(\$2,170,000)	(\$8,680,000)

EXPENDITURE EXPLANATION

The program’s administrative expenditures are funded entirely by fees collected from foreign visitors applying for sales tax refunds, and are not appropriated by the legislature.

REVENUE EXPLANATION

State general fund revenues and local revenues will decrease by an estimated \$872,000 per year and \$1.038 million per year, respectively, in FY10 - FY13 due to the proposed legislation. Under current law, the program continues through FY13 before this bill has impact.

After suffering from the effects of Hurricanes Katrina and Rita in 2005, reimbursing only \$669,000 in 2006, program reimbursements have risen to \$2.170 million in 2011. Barring economic slowdowns in the major countries sending visitors to the United States and Louisiana, comparable levels of reimbursements are likely throughout the fiscal note horizon. In the past, the program has reported that approximately 46% of total reimbursements are state sales taxes (\$1 million per year) and 54% are local taxes (\$1.17 million per year).

The average levels of participating purchases were \$216 and \$243 in 2010 and 2011, respectively, with average total sales tax reimbursements of \$64 and \$71, respectively.

Senate	Dual Referral Rules	House	
☐ 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		☐ 6.8(F)1 >= \$500,000 Annual Fiscal Cost {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}	H. Gordon Monk Legislative Fiscal Officer