



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 496** HLS 13RS 918  
Bill Text Version: **ORIGINAL**  
Opp. Chamb. Action:  
  
Proposed Amd.:  
Sub. Bill For.:

<b>Date:</b> April 18, 2013	4:30 PM	<b>Author:</b> MACK
<b>Dept./Agy.:</b> Revenue		
<b>Subject:</b> Sales tax holiday on LA manufactured guns and ammunition		<b>Analyst:</b> Deborah Vivien

TAX EXEMPTIONS OR DECREASE GF RV See Note Page 1 of 1  
Creates a sales tax holiday period for consumer purchases of firearms and ammunition manufactured in Louisiana

Current law allows a three day state and local sales tax holiday on the first weekend of September for sales of firearms, ammunition and hunting equipment sold in Louisiana , also called the Second Amendment Weekend Holiday.

Proposed law offers a one week state and local sales tax holiday during the last week of October each year for firearms and ammunition manufactured and sold in Louisiana. The purchase must be for reasons other than business purposes. Firearm includes shotguns, rifles, pistols, revolvers or other handguns. The bill also details the appropriate application of the holiday to returns, refunds, rain checks, layaway, etc.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	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	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Annual Total						

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

The current Second Amendment sales tax holiday has resulted in a reduction in SGF of about \$600,000 to the state and, presumably about that same amount to local funds, according to the department of revenue. Though the sales tax holiday proposed in this bill will be in effect for seven days instead of three days, the range of items that would qualify is much narrower since it only applies to firearms and ammunition manufactured in Louisiana. According to the Workforce Commission, LA has less than three firms registered as small firearms and ammunition manufactures with about 30 employees (as specified in NAICS codes for small firearms and ammunition manufacturing). There could be additional firms that manufacture these items but are registered under other NAICS codes due to a different primary business function. These manufacturers require a license through ATF, which indicates 22 manufacturers of firearms in 2010 in Louisiana or about 1% of national manufacturers. Presumably, rules governing the program would coincide with these data assumptions. Given the small number of firms in the state, the likelihood of a large number of imported firearms and ammunition, and the fact that consumers can purchase these items tax-free only a few weeks before the proposed holiday, this bill is not expected to reduce general fund by more than a few thousand dollars.

These items also currently qualify for the general sales tax holiday that exempts the 4% state sales tax on the first \$2,500 of every purchase on August 3 and August 4.

Senate	Dual Referral Rules	House
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F) >= \$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}

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