

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 176** HLS 14RS 99

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.: **REVISED**

Date: March 24, 2014 1:45 PM	Author: BROWN, TERRY
Dept./Agy.: Revenue/Treasury	Analyst: Deborah Vivien
Subject: Dedication of state hotel/motel sales tax to Grant Parish	

FUNDS/FUNDING OR -\$5,000 GF RV See Note Page 1 of 1
Dedicates the proceeds of the state sales tax collected on hotel occupancy tax in Grant Parish to the Grant Parish Economic Development Fund

Current law imposes a 4% state sales tax on hotel/motel rentals in the state.

Proposed law dedicates 3.97% of the state sales tax on hotel/motel room rentals generated in Grant Parish to the Grant Parish Economic Development Fund, which is created in this bill. Interest from the fund is deposited into the State General Fund. The Grant Parish Economic Development Fund will be used by the Grant Parish Police Jury to promote tourism in the parish. The 0.03% sales tax dedication for the Tourism Promotion District is not included in the bill.

Effective July 1, 2014.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	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>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$5,000)	(\$25,000)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000
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>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Any implementation costs involved in establishing the dedication will be absorbed in the current budget. On-going administrative costs are anticipated to be minimal and not require a budgetary adjustment.

REVENUE EXPLANATION

According to the Department of Revenue and the Grant Parish Sheriff's Office, currently only 1 taxpayer in Grant Parish that is currently remitting sales tax to the state that is affected by this bill. To the extent that this taxpayer and any future eligible taxpayers remit state hotel/motel sales tax generated in Grant Parish, that amount will no longer be available to the state general fund, but will be statutorily dedicated for appropriation to the Grant Parish Police Jury. The amount dedicated is not expected to exceed the thresholds established for dual referral of the bill.

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|---|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & 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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