

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 51** SLS 14RS 237

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 3, 2014	10:42 AM	<b>Author:</b> MARTINY
<b>Dept./Agy.:</b> LA Tax Free Shopping		<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Removes the fee for retailers to participate		

TAX/TAXATION

EG -\$80,000 SG RV See Note

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Removes the authority of the Louisiana Tax Free Shopping Program to charge participating retailers a membership fee. (gov siq)

Current Law defines a membership fee and allows the LA Tax Free Shopping Commission to set and adjust the membership fee to be paid by retailers participating in the Tax Free Shopping Program.

Proposed Law removes the definition of membership fee and the authority of the LA Tax Free Shopping Commission to set a membership fee, which allows retailers to participate in the Tax Free Shopping Program without paying a fee.

Effective upon governor's signature.

<b>EXPENDITURES</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	(\$80,000)	(\$80,000)	(\$80,000)	(\$80,000)	(\$80,000)	<b>(\$400,000)</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>(\$80,000)</b>	<b>(\$80,000)</b>	<b>(\$80,000)</b>	<b>(\$80,000)</b>	<b>(\$80,000)</b>	<b>(\$400,000)</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Though membership fees will no longer be collected, the reduction in revenue from this fee is expected to be offset by growth in handling fee revenue charged to participating international tourists.

**REVENUE EXPLANATION**

The bill is expected to reduce self-generated revenue to the LA Tax Free Shopping Program by about \$80,000 per year by eliminating the membership fee (800 retailers \* \$100 membership fee). However, the LA Tax Free Shopping Commission has experienced increased revenue collections related to a flat rate handling fee on sales tax refunds that has provided enough revenue to offset the proceeds of the membership fee. Thus, the expenses of the Commission would be funded almost exclusively by international tourists instead of local retailers.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**Gregory V. Albrecht**  
**Chief Economist**