

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 294** HLS 16RS 720

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 18, 2016 5:15 PM	Author: HILFERTY
Dept./Agy.: Revenue	Analyst: Deborah Vivien
Subject: Requires remote sellers to notify buyers of use tax liability	

TAX/SALES & USE

OR SEE FISC NOTE GF RV

Page 1 of 1

Requires online or catalog retailers not domiciled in Louisiana to provide notice to Louisiana purchasers that state sales and use taxes may be due on purchases

Current law requires dealers to collect and remit state sales and use tax on tangible personal property and certain services. Remote sellers without nexus may not collect and remit the tax.

Proposed law requires remote sellers to notify purchasers of a use tax obligation when state sales tax is not collected, if the purchase is not exempt from state sales tax. The bill states that no criminal or civil liability will be incurred for failure to comply with the statute.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	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	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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						

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

The bill requires remote sellers to provide a notification to online purchasers that state use tax will be due on the purchase, even if sales tax is not collected at the point of sale. To the extent that online sellers comply with the provisions of the bill and purchasers pay the use tax as a result of the notification required by this bill, state general fund revenue will increase. The bill explicitly states that no criminal penalty or civil liability may be applied or assessed for failure to comply with these provisions, and it is speculative as to the extent remote sellers will modify their systems to notify purchasers of their use tax liability and the extent to which purchasers will remit tax on the basis of the notification.

Senate Dual Referral Rules House

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|---|--|
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {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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Chief Economist