

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



Fiscal Note On: **HB 334** HLS 17RS 1062  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 13, 2017 12:12 PM	<b>Author:</b> STOKES
<b>Dept./Agy.:</b> REVENUE	<b>Analyst:</b> Benjamin Vincent
<b>Subject:</b> Sales & Use Tax Exemption: Broadcast of Certain Content	

TAX/SALES-USE, EXEMPT OR NO IMPACT GF RV See Note Page 1 of 1  
 Specifies that the existing exemption from sales, use, and lease taxes on fees paid for the right to broadcast copyrighted material applies to sales, use, and lease taxes from all taxing authorities.  
Current law provides that the sales, use, and lease taxes imposed by taxing authorities shall not apply to fees paid by radio or television broadcasters to the licensors for the right to exhibit or broadcast copyrighted or licensed material.  
Proposed law specifies that the exemption in current law applies to all taxing authorities.  
 Effective July 1, 2017.

<b>EXPENDITURES</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</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>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>5 -YEAR TOTAL</b>
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**EXPENDITURE EXPLANATION**

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

**REVENUE EXPLANATION**

LA Dept. of Revenue (LDR) notes that current law already provides for applicability of the exemption to state and local taxing jurisdictions under RS 47:337.9. LDR also notes that since sales tax forms began collecting data on claims for this exemption in July 2016, no taxpayers have claimed it.

LDR also notes that the exemption does not apply to several impositions of state sales tax. The impositions that apply to these purchases result in a combined state sales tax rate of 4% until July 1, 2018, at which time these purchases will be taxed at a 1% state sales tax rate. According to the Dept, proposed law does not impact these impositions.

Revenue impacts due to proposed law are therefore expected to be zero.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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