



**OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note**

Fiscal Note On: **SB 78** SLS 13RS 63
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: June 3, 2013 2:54 PM	Author: MARTINY
Dept./Agy.: East Feliciana Parish	Analyst: Theresa Chatelain
Subject: Sales and Use Tax Exemptions	

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 Provides for certain tax authorities to grant an exclusion from sales tax for repairs to certain property which is delivered out of state. (7/1/13)

Purpose of Bill: This measure provides that charges for the furnishing of repairs to tangible personal property in East Feliciana Parish, when repaired property is (1) delivered to a common carrier or to the United States Post Office for transportation out of state or (2) delivered outside the state by use of the repairer's own vehicle or an independent trucker, shall be excluded from the definition of sales of services, and are therefore exempt from sales and use tax. Currently, this exemption is permissive; this measure would make it mandatory for East Feliciana Parish and changes the methods of delivery allowed.

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	<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	2013-14	2014-15	2015-16	2016-17	2017-18	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

This measure may not directly affect local government revenues or state general fund revenues.

According to an official with the East Feliciana Parish Police Jury, this sales and use tax is not being collected, although the capacity to do so currently exists. As such, making the exemption mandatory may not affect local government revenues.

According to an official with the East Feliciana Parish School Board, they have not collected this sales and use tax since 2007. Therefore, they will continue this practice as a result of this measure and there may be no fiscal impact. If the East Feliciana Parish School Board were to collect these taxes, revenues would be \$400,000 to \$500,000 per year.

According to the Louisiana Department of Revenue, the state does not collect any money related to this sales and use tax. Therefore, there should be no effect on state general fund revenues.

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| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <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} | |

Joy Irwin
 Director of Advisory Services