

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 139** HLS 13RS 29

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 29, 2013	7:38 AM	Author: LEOPOLD
Dept./Agy.: Revenue		Analyst: Deborah Vivien
Subject: State sales tax exemption for Plaquemines Recovery		

TAX/SALES-USE, ST-EXEMPT EG DECREASE GF RV See Note Page 1 of 1

Creates an exemption from sales and use tax for construction materials purchased by the Committee for Plaquemines Recovery

Current law provides a state and local sales and use tax exemption for certain charitable residential construction on construction materials.

Proposed law expands the state sales and use tax exemption to include the Committee for Plaquemines Recovery and provides an optional local exemption for same.

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	\$0	\$0	\$0	\$0	\$0	\$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.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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 anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

According to its website, the Committee for Plaquemines Recovery (CPR) is the central partner in the recovery efforts of Plaquemines Parish acting as the developer in the rebuilding effort in that area. CPR has an agreement with the United Way of Southeast Louisiana to build homes that are eligible for the Homebuyer Assistance Program - Plaquemines Initiative which provides CDBG disaster grants to eligible homeowners of 50% of the purchase price. CPR is reimbursed only through proceeds at closing so assumes the risk of building the homes. This bill will allow a state and local sales tax exemption on the purchase of construction materials. According to the organization, the program plans to provide for 100 homes with an average value of about \$170,000 by December 2014, CPR indicates that 5 homes may be more reflective of actual completion, given past performance and anticipated program requirements. If 100 homes are built at \$170,000 per home, state sales tax of 4% would total \$680,000, which provides a maximum, though unlikely, exposure. If 5 homes averaging \$170,000 are built, state sales tax of 4% would total \$42,500. If the local taxing authority chooses to provide this exemption, local funds will decrease by a similar amount.

<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}

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