

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



Fiscal Note On: **SB 178** SLS 17RS 374  
 Bill Text Version: **ENROLLED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> June 6, 2017 2:58 PM	<b>Author:</b> MORRELL
<b>Dept./Agy.:</b> LA Dept. of Economic Development	<b>Analyst:</b> Zachary Rau
<b>Subject:</b> Sunsets Certain Credits, Exemptions, and Incentives	

TAX/TAXATION EN INCREASE GF RV See Note Page 1 of 1  
 Establishes termination dates for certain tax credits and incentive programs administered by the Department of Economic Development. (gov sig)

Proposed law sunsets the corporate tax apportionment program on July 1, 2017, the angel investor tax credit on July 1, 2021, the sound recording investor tax credit on July 1, 2021, the green jobs tax credit on July 1, 2017, the urban revitalization tax credit program on July 1, 2017, and moves up by six months the repeal of the Motion Picture Incentive Act to July 1, 2017.

Effective upon governor's signature.

<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.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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><u>\$0</u></b>
<b>Annual Total</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>
State Gen. Fd.	\$0	INCREASE	INCREASE	INCREASE	INCREASE	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	DECREASE	<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><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>					<b>\$0</b>

**EXPENDITURE EXPLANATION**

The LA Dept. of Economic Development may realize some savings associated with the sunset of the programs, though administrators associated with programs subject to the sunsets may be retained and used elsewhere within the department to administer other programs.

**REVENUE EXPLANATION**

Proposed law will increase SGF net receipts by an indeterminable amount likely beginning in FY 19, and with a phase-up in net receipts in subsequent fiscal years as current participants phase out of the programs. The increase in net receipts is indeterminable because actual realizations of the credits are dependent on some discretion by participating individuals and firms. Additionally, the bill sunsets when participants may enter the programs as opposed to when benefits may be claimed. As a result, some credits may be claimed for some time after the sunset dates of the bill.

Eventual net receipt gains will be relatively small since only the angel investor tax credit and the sound recording investor tax credit programs have any typical participation, and both programs operate under relatively small program credit caps.

Additionally, repeal of the Motion Picture Incentive Act will likely not affect net SGF receipts, as the program ceased certifying credits and exemptions after December 31, 2005.

LED also anticipates a marginal SGR loss associated with the sunset of the sound recording investor tax credit.

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}

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