

**SENATE COMMITTEE AMENDMENTS**

2018 Regular Session

Amendments proposed by Senate Committee on Finance to Original Senate Concurrent Resolution No. 101 by Senator Donahue

1 AMENDMENT NO. 1

2 On page 1, line 2, after "sales," delete "taxes and includes" and insert "taxes, includes the  
3 impact of federal tax policy, and provides"

4 AMENDMENT NO. 2

5 On page 1, line 3, after "and" insert "includes"

6 AMENDMENT NO. 3

7 On page 1, between lines 3 and 4, insert the following:

8 "WHEREAS, the official forecast for Fiscal Year 2017-2018 incorporates the  
9 collections of an entire fifth penny in sales and use tax which, when combined with  
10 other sources of revenue collections, support the Fiscal Year 2017-2018 state budget  
11 enacted by the Legislature of Louisiana after three sessions of deliberations, and  
12 which budget currently includes funds for the scholarships for the Taylor  
13 Opportunity Program for Students, as well as the delivery of services by the  
14 Louisiana Department of Health, and funding for the medical schools and the public-  
15 private partnerships, all in accordance with Act 3 of the Second Extraordinary  
16 Session of 2017, the general appropriations act for Fiscal Year 2017-2018; and"

17 AMENDMENT NO. 4

18 On page 1, line 5, change "2019" to "2018-2019"

19 AMENDMENT NO. 5

20 On page 1, at the end of line 9 delete the period and insert the following:

21 "; and

22 WHEREAS, the governor of Louisiana, in accordance with the Constitution  
23 of Louisiana presented a Fiscal Year 2018-2019 executive budget allocating only  
24 those revenues contained in the then current official forecast of the Revenue  
25 Estimating Conference which totaled \$8.6 billion; and

26 WHEREAS, the standstill budget for Fiscal Year 2018-2019, as modified for  
27 the inclusion of additional means of financing, would total \$9.75 billion; and

28 WHEREAS, the governor identified approximately \$995.4 million in  
29 expenditures that did not receive funding in his executive budget that, if funded,  
30 would bring his budget to \$9.5 billion which is less than a modified standstill budget;  
31 and

32 WHEREAS, the programs and amounts which did not receive funding in the  
33 executive budget are, as follows:

Program	State Portion of Unfunded FY 2019 Cost
LDH-Mostly Medicaid	\$ 656,612,820

1	TOPS Program	\$ 233,342,683
2	Local Housing/State Prisoners	\$ 40,408,330
3	District Attorneys/Assistant District Attys	\$ 26,314,182
4	Higher Education Base Funding	\$ 25,680,922
5	Go Grants	\$ 13,000,000
6	<b>TOTAL</b>	<b>\$ 995,358,937</b>

7 WHEREAS, if the Louisiana Department of Health does not receive the  
 8 amount of funding set forth above, many, if not all, of the public-private  
 9 partnerships have indicated that they will terminate their agreements with the state,  
 10 which will eliminate their responsibility to make lease payments to the state which  
 11 will result in a loss of state revenues and economic activity and cause fiscal  
 12 instability; and

13 WHEREAS, since the time the Executive Budget was submitted to the  
 14 legislature, the Revenue Estimating Conference increased the official forecast by  
 15 \$346 million as a result of changes in federal tax policies, thereby reducing the  
 16 projected deficit for Fiscal Year 2018-2019 to \$650 million.

17 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana can  
 18 consider reducing the current collection of five pennies of sales and use tax by the  
 19 state to four and one-half cents, or some portion thereof, which would reduce the tax  
 20 burden on the citizens of the state and yet maintain a portion of the sales tax by  
 21 generating approximately \$402 million of the original \$806 million, and further  
 22 closing the gap between the estimated Fiscal Year 2018-2019 revenues and  
 23 expenditures."

24 AMENDMENT NO. 6

25 On page 1, line 10, change "THEREFORE, BE IT" to "BE IT FURTHER"

26 AMENDMENT NO. 7

27 On page 1, line 10, after "shall" and before "work" insert "continue to"

28 AMENDMENT NO. 8

29 On page 1, line 11, after "identify" delete the remainder of the line, delete line 12, and insert:

30 "additional expenditure reductions in the standstill budget where possible and  
 31 revenue reduction options:  
 32

33	Revenue Source	Current Tax Paid	Savings from Tax Reduction
34	5 <sup>th</sup> Penny	\$ 806 Million	
35	Reduce Penny Tax by 3/4		\$ 603 Million
36	Reduce Penny Tax by 1/2		\$ 402 Million
37	Reduce Penny Tax by 1/4		\$ 201 Million

38 BE IT FURTHER RESOLVED that the Legislature of Louisiana may  
 39 consider sales and use tax exemptions and exclusions, currently provided by law, as  
 40 follows:  
 41

**Penny Cleaning-Existing Levies 4% Rate**

1	Retain limited exemptions and exclusions on R.S. 47:302	
2	2% sales tax levy (HB 25 2018 1 <sup>st</sup> ES)	\$149 Million/year
3	*MM&E is currently exempt from this levy	
4	*Nonresidential utilities are taxable under this levy	
5	Existing limited exemptions and exclusions on the R.S.	
6	47:321 1% sales tax levy	\$29 Million/year
7	*MM&E is currently taxable under the levy	
8	*Nonresidential utilities are exempt	
9	Existing limited exemptions and exclusions on the R.S.	
10	47:331 1% sales tax levy	\$12 Million in FY 19
11	*MM&E is currently exempt from this levy	\$49 Million in FY 20
12	*Nonresidential utilities are exempt after nine months of FY	
13	2019	

14 BE IT FURTHER RESOLVED by the Legislature of Louisiana that standstill  
 15 requirements shall be in effect for all expenditures contained in HB 1, and the  
 16 following reductions to Incentive Expenditures below shall achieve a standstill  
 17 budget for Fiscal Year 2019-2020 and thereafter, which reductions shall be achieved  
 18 through creating maximum expenditure authority for each program until otherwise  
 19 authorized, as follows:

20	Maintain Standstill Incentive Expenditure Budget	Limitation on Program Based on FY 2018	Savings to further replace remaining portion of the 5 <sup>th</sup> Penny
22	Atchafalaya Trace Heritage Area Development Zone		
23	Cane River Heritage Tax Credit		
24	Tax Credit for Rehabilitation of Historic Structures	\$61,587,240	\$16,412,760
25	Brownfields Investor Tax Credit	\$31,583	\$8,417
26	Louisiana Community Economic Development Act		
27	Port of Louisiana Tax Credits		
28	Motion Picture Investor Tax Credit	\$142,124,400	\$37,875,600
29	Research and Development Tax Credit	\$6,316,640	\$1,683,360
30	Digital Interactive Media and Software Act	\$23,687,400	\$6,312,600
31	Louisiana Motion Picture Incentive Act		
32	New Markets Tax Credit	\$789,580	\$210,420
33	University Research and Development Parks		
34	Industrial Tax Equalization Program	\$3,158,320	\$841,680
35	Exemptions for Manufacturing Establishments		
36	Louisiana Enterprise Zone Act	\$31,583,200	\$8,416,800
37	Sound Recording Investor Tax Credit	\$157,916	\$42,084
38	Urban Revitalization Tax Incentive Program		
39	Technology Commercialization Credit and Jobs Program	\$78,958	\$21,042
40			

1	Angel Investor Tax Credit Program	\$1,579,160	\$420,840
2	Musical and Theatrical Productions Income Tax	\$6,158,724	\$1,641,276
3	Credit		
4	Retention and Modernization Act	\$3,947,900	\$1,052,100
5	Tax Credit for Green Jobs Industries		
6	Louisiana Quality Jobs Program Act	\$78,958,000	\$21,042,000
7	Corporate Headquarters Relocation Program		
8	Competitive Projects Payroll Incentive Program	\$315,832	\$84,168
9	Louisiana Capital Companies Tax Credit Program		
10	Procurement Processing Company Rebate Program	\$9,080,170	\$2,419,830
11	Rebates for Donations to School Tuition	\$5,684,976	\$1,515,024
12	Organizations		
13	<b>TOTAL</b>	<b>\$375,240,000</b>	<b>\$100,000,000</b>

14                   BE IT FURTHER RESOLVED that the Legislature of Louisiana shall  
 15                   endeavor to allocate all revenue adjustments recognized since January 1, 2018, in a  
 16                   manner that ensures stability to the citizens of the state by funding for eligibility  
 17                   categories for the disabled and elderly under the Medicaid program, medical  
 18                   education, supplemental Medicaid payments to the public-private partnership  
 19                   hospitals, the Taylor Opportunity Program for Students scholarships, local housing  
 20                   of state prisoners, the district attorneys and the assistant district attorneys, higher  
 21                   education base funding, and GO Grants."