

ACT No. 87

2018 Regular Session

HOUSE BILL NO. 342

BY REPRESENTATIVE ABRAMSON

1 AN ACT

2 To amend and reenact R.S. 47:1517.1(A), (B)(introductory paragraph), (B)(1), and (G) and
3 to enact R.S. 47:1517.1(B)(4) and (5), relative to tax incentive reports; to provide for
4 the deadline in which certain tax incentive reports are due to the legislature; to
5 provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:1517.1(A), (B)(introductory paragraph), (B)(1), and (G) are
8 hereby amended and reenacted and R.S. 47:1517.1(B)(4) and (5) are hereby enacted to read
9 as follows:

10 §1517.1. Tax incentives; state agencies and state offices that administer tax
11 incentives; reporting requirements

12 A. The Department of Revenue is required to prepare a tax exemption budget
13 each year that includes state revenue loss for the preceding three years caused by
14 each tax exemption, deduction, exclusion, and credit authorized by law; however, in
15 addition to the Department of Revenue, a number of other state agencies administer
16 tax credits and rebates. Likewise, the legislative auditor's office has statutory
17 authority to conduct performance audits of state agency programs in order to
18 evaluate the impact, efficiency, effectiveness, and cost-effectiveness of programs and
19 to identify programs that are vital and in the best interests of the citizens of
20 Louisiana. In order for the legislature and the legislative auditor's office to get
21 accurate and complete information regarding how much tax credits and rebates cost
22 the state ~~each year~~, each state agency that administers tax credits and rebates shall

1 ~~annually~~ report the information required by this Section to the legislature in every
 2 even-numbered year.

3 B. No later than the first day of ~~March~~ April each even-numbered year, the
 4 head of each state agency that administers a tax credit or tax rebate, referred to in this
 5 Section collectively as "tax incentive", shall prepare and submit to the ~~legislature~~
 6 Senate Committee on Revenue and Fiscal Affairs, the Senate Committee on Finance,
 7 the House Committee on Ways and Means, and the House Committee on
 8 Appropriations a report regarding each tax incentive that the agency administers.
 9 The report shall include an assessment of each tax incentive based on the following
 10 criteria:

11 (1) Whether or not each tax incentive has been successful in meeting the
 12 purpose for which it was enacted, in particular, whether each tax incentive benefits
 13 those originally intended to be ~~benefited~~ benefitted, and if not, those who do benefit.

14 * * *

15 (4) Beginning in 2019 the reports for tax incentives that include a job
 16 creation component shall include the number of employees hired who had a
 17 Louisiana drivers license at the time that they were hired.

18 (5) Beginning in 2020, in addition to the reports provided for in this Section,
 19 the Department of Revenue shall perform a comprehensive return on investment
 20 analysis for all tax incentives for which the revenue loss was one million dollars or
 21 more in the previous fiscal year. This return on investment analysis shall be
 22 performed by the department regardless of which agency administers the tax
 23 incentive. The department's report of the results shall include a ranking of tax
 24 incentives by return on investment.

25 * * *

26 G. The House Committee on Ways and Means and the Senate Committee on
 27 Revenue and Fiscal Affairs, ~~referred to in this Subsection as "committees"~~, shall
 28 conduct hearings on the reports ~~every odd-numbered year~~, to be concluded no later
 29 than thirty days before the beginning of the Regular Session of the Legislature of
 30 Louisiana first day that the legislature convenes in each odd-numbered year. The

1 committees shall analyze and consider tax incentives that have caused revenue loss
 2 to the state in any one of the three previous fiscal years. From time to time, the
 3 committees may report to the legislature findings or recommendations developed as
 4 a result of the hearings.

* * *

6 Section 2. This Act shall become effective upon signature by the governor or, if not
 7 signed by the governor, upon expiration of the time for bills to become law without signature
 8 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 9 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 10 effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____