

1 the assistant district attorneys, higher education base funding, and GO Grants; and

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

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

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

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

Program	State Portion of Unfunded FY 2019 Cost
LDH-Mostly Medicaid	\$ 656,612,820
TOPS Program	\$ 233,342,683
Local Housing/State Prisoners	\$ 40,408,330
District Attorneys/Assistant District Attys	\$ 26,314,182
Higher Education Base Funding	\$ 25,680,922
Go Grants	\$ 13,000,000
TOTAL	\$ 995,358,937

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

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

30 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana can consider

1 reducing the current collection of five pennies of sales and use tax by the state to four and
 2 one-half cents, or some portion thereof, which would reduce the tax burden on the citizens
 3 of the state and yet maintain a portion of the sales tax by generating approximately \$402
 4 million of the original \$806 million, and further closing the gap between the estimated Fiscal
 5 Year 2018-2019 revenues and expenditures.

6 BE IT FURTHER RESOLVED by the Legislature of Louisiana that it shall continue
 7 to work together with the governor to identify additional expenditure reductions in the
 8 standstill budget where possible and revenue reduction options:

Revenue Source	Current Tax Paid	Savings from Tax Reduction
5 th Penny	\$ 904 Million	
Reduce Penny Tax by 3/4		\$ 678 Million
Reduce Penny Tax by 1/2		\$ 452 Million
Reduce Penny Tax by 1/4		\$ 226 Million

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

Penny Cleaning-Existing Levies 4% Rate	
Retain limited exemptions and exclusions on R.S. 47:302 2% sales tax levy (HB 25 2018 1 st ES) *MM&E is currently exempt from this levy *Nonresidential utilities are taxable under this levy	\$149 Million/year
Existing limited exemptions and exclusions on the R.S. 47:321 1% sales tax levy *MM&E is currently taxable under the levy *Nonresidential utilities are exempt	\$29 Million/year

Existing limited exemptions and exclusions on the R.S. 47:331 1% sales tax levy *MM&E is currently exempt from this levy *Nonresidential utilities are exempt after nine months of FY 2019	\$12 Million in FY19 \$49 Million in FY 20
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BE IT FURTHER RESOLVED by the Legislature of Louisiana that standstill requirements shall be in effect for all expenditures contained in HB 1, and the following reductions to Incentive Expenditures below shall achieve a standstill budget for Fiscal Year 2019-2020 and thereafter, which reductions shall be achieved through creating maximum expenditure authority for each program until otherwise authorized, as follows:

Maintain Standstill Incentive Expenditure Budget	Limitation on Program Based on FY 2018	Savings to further replace remaining portion of the 5th Penny
Atchafalaya Trace Heritage Area Development Zone		
Cane River Heritage Tax Credit		
Tax Credit for Rehabilitation of Historic Structures	\$61,587,240	\$16,412,760
Brownfields Investor Tax Credit	\$31,583	\$8,417
Louisiana Community Economic Development Act		
Port of Louisiana Tax Credits		
Motion Picture Investor Tax Credit	\$142,124,400	\$37,875,600
Research and Development Tax Credit	\$6,316,640	\$1,683,360
Digital Interactive Media and Software Act	\$23,687,400	\$6,312,600
Louisiana Motion Picture Incentive Act		
New Markets Tax Credit	\$789,580	\$210,420
University Research and Development Parks		
Industrial Tax Equalization Program	\$3,158,320	\$841,680
Exemptions for Manufacturing Establishments		
Louisiana Enterprise Zone Act	\$31,583,200	\$8,416,800
Sound Recording Investor Tax Credit	\$157,916	\$42,084

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

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

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Martha S. Hess.

DIGEST

SCR 101 Reengrossed

2018 Regular Session

Donahue

Regards a budget plan that provides funding established by a standstill budget and includes priority programs.