

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



Fiscal Note On: **HB 607** HLS 19RS 1192

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 12, 2019	5:15 PM	<b>Author:</b> FOIL
<b>Dept./Agy.:</b> Revenue		<b>Analyst:</b> Greg Albrecht
<b>Subject:</b> Public-Private Infrastructure Investment Program		

TAX CREDITS

OR DECREASE GF RV See Note

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Provide for the public-private partnership investment program and authorizes the issuance of tax credits

Proposed law establishes the La Public-Private Partnership Board to prepare five infrastructure projects for public-private investment. Projects can include, bridges, airport improvements, municipal convention centers, passenger and light rail, and other large infrastructure projects. The Board is to establish a Designated Special Purpose Entity to oversee projects, and to sell or transfer back to the state up to \$55 million in tax credits to any third-party to finance the program. A Third Party Verification Entity is to verify that the cash generated by the sales of the credits is used for the purposes of the program. The credits can be applied against any state tax liability, and can be claimed in each of the years 2025 - 2030, at a rate of one-sixth of their value each year.

Effective upon governor's signature.

<b>EXPENDITURES</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
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>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>5 -YEAR TOTAL</b>
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<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

The bill does not speak to administrative costs of the seven-member Board, the Special Purpose Entity, or the Third Party Verification Entity. Presumably, administrative costs would be incurred in years within the fiscal note horizon, even if the program's tax credit costs (realized against revenue collections below) do not occur until FY25 or later.

**REVENUE EXPLANATION**

The tax credits granted by the program can first be applied against state tax liabilities on January 1, 2025, and each January 1 through 2030 at a rate of one-sixth the total amount granted. The simple exposure to the state fisc is \$9.167 million per year for six years, FY25 - FY30, totaling \$55 million. This entire period is outside the fiscal note horizon, and even if credits are granted within the note horizon, it is assumed they can not be realized against the state fisc, even if sold back to the state, any earlier than FY25. Actual credit costs in particular years may differ from this simple annual exposure since unused credits can be carried forward for use against tax liabilities in subsequent years, or can be sold back to the state.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**John D. Carpenter**  
**Legislative Fiscal Officer**