

2023 Regular Session

HOUSE BILL NO. 285

BY REPRESENTATIVE TURNER

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX INCREMENT FINANCING: Provides relative to the use of state sales tax increments in certain local tax increment financing initiatives

1 AN ACT

2 To amend and reenact R.S. 33:9033(B)(3), relative to tax increment financing mechanisms  
3 authorized for local governmental subdivisions; to provide relative to the use of state  
4 sales tax increments for such tax increment financing; to provide relative to sales tax  
5 increment financing of local economic development projects; to provide relative to  
6 the prohibition on the use of state sales tax increments for financing of such projects;  
7 to revise provisions establishing an exception to the prohibition; and to provide for  
8 related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 33:9033(B)(3) is hereby amended and reenacted to read as follows:

11 §9033. Sales tax increment financing

12 \* \* \*

13 B. Notwithstanding the provisions of Subsection A of this Section, the  
14 prohibition regarding the use of state sales tax increments for purposes of sales tax  
15 increment financing shall not apply to:

16 \* \* \*

17 (3) Any expansion of the project scope or extension of the use of the state  
18 sales tax for an economic development project or program for which the ~~cooperative~~  
19 ~~endeavor agreement initially authorizing the state sales tax increment was executed~~  
20 initially authorized and approved by the Joint Legislative Committee on the Budget

1 before July 1, 1997, and, as expanded or extended through subsequent approvals by  
2 that committee, did not expire on or before August 1, 2019, provided that the state  
3 sales tax increment shall not be extended beyond December 31, ~~2033~~ 2048.

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## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 285 Engrossed

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Turner

**Abstract:** Provides relative to allowable uses of state sales tax increments in tax increment financing arrangements for local economic development projects.

Present law authorizes local governmental subdivisions to issue revenue bonds payable solely from an irrevocable pledge and dedication of up to the full amount of sales tax increments to finance economic development projects within economic development areas designated in accordance with present law. Provides that such tax increments include portions of sales taxes imposed by all taxing authorities, except for the state and any political subdivision with boundaries coterminous with the state, and paid by taxpayers in the designated economic development area. Stipulates, however, that the use of state sales tax increments for such tax increment financing is allowed in limited circumstances enumerated in present law.

Present law allows the use of state sales tax increments in tax increment financing for an expansion of a local economic development project's scope or extension of the use of the state sales tax for an economic development project or program for which the cooperative endeavor agreement initially authorizing the state sales tax increment was executed before July 1, 1997, and did not expire on or before Aug. 1, 2019. Present law prohibits the extension of the state sales tax increment beyond Dec. 31, 2033, for such project or program.

Proposed law amends present law to allow the use of state sales tax increments in tax increment financing for an expansion of a local economic development project's scope or extension of the use of the state sales tax for an economic development project or program for which the state sales tax increment was initially authorized and approved by the Joint Legislative Committee on the Budget (JLCB) before July 1, 1997, and, as expanded or extended through subsequent approvals by JLCB, did not expire on or before Aug. 1, 2019. Proposed law further amends present law to change the date through which the state sales tax increment may be extended for such project or program from Dec. 31, 2033, to Dec. 31, 2048.

(Amends R.S. 33:9033(B)(3))