LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 41** SLS 23RS 9
Bill Text Version: **ENROLLED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: June 9, 2023 10:53 AM
Author: MIZELL
Dept./Agy.: Revenue/ LDH
Subject: Tax Credits: Maternal Wellness Centers
Analyst: Benjamin Vincent

TAX/TAXATION EN -$5,000,000 GF RV See Note

Establishes a tax credit for certain maternal wellness centers. (1/1/24)

Proposed law authorizes a nonrefundable credit against individual or corporate income tax for donations to certain maternal wellness centers, in an amount equal to 50% of the donation, up to 50% of the taxpayer's tax liability per year. Requires LDR to administer the credits, and sets the annual maximum that may be granted at $5 million. No more than 20% of available credits may be allocated for contributions to a single maternal wellness center. Credits that may not be granted in a fiscal year due to the $5 million maximum shall be available to be granted in subsequent fiscal years.
Proposed law requires LDH to establish and maintain a registry of eligible maternal wellness centers based on information provided via form by the center to LDH. However, LDH shall have no oversight or regulatory authority, including for eligibility verification.
Maternal wellness center credits are applicable to taxable periods beginning on or after January 1, 2025, however credits shall not be granted for donations made after December 31, 2030. Effective upon governor's signature.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	$0	$0	$0	$0	$0	**$0**
Agy. Self-Gen.	$0	INCREASE	INCREASE	INCREASE	INCREASE	**$0**
Ded./Other	$0	$0	$0	$0	$0	**$0**
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total	**$0**					**$0**

REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	$0	($5,000,000)	($5,000,000)	($5,000,000)	($5,000,000)	**($20,000,000)**
Agy. Self-Gen.	$0	$0	$0	$0	$0	**$0**
Ded./Other	$0	$0	$0	$0	$0	**$0**
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total	**$0**	**($5,000,000)**	**($5,000,000)**	**($5,000,000)**	**($5,000,000)**	**($20,000,000)**

EXPENDITURE EXPLANATION

LDR anticipates that administration of the credits in proposed law will require one additional Revenue Tax Specialist ($87,000). Additionally, implementation of proposed law will require additional one-time expenditures for system modification, development and testing, and tax form modification, estimated at $53,000 of staff time. Any increases in LDR expenditures will require SGR, which will reduce LDR's state general fund reversion by an equal amount at the end of the fiscal year. LDH will create a voluntary registration form for maternal wellness centers through which eligibility will be established and made publicly available, an expense that is anticipated to be negligible.

REVENUE EXPLANATION

Proposed law establishes a nonrefundable credit matching 50% of donations to eligible maternal wellness centers up to half of total income tax liability per taxpayer per year, and authorizes LDR to issue credits of up to $5 million annually, though credits will be issued until credits related to any donations made during 2025 through 2030 are exhausted, which could exceed $30 million (6 years * $5 million per year) in total. Contributions to any single maternal wellness center may not account for more than 20% of available credits ($1 million with a $5 million cap or 20% of any aggregate cap carryover).

Qualifications for an eligible center are specified in the bill as a 501(c)3 in Louisiana registered with LDR and offering certain pre-natal and post-natal services. Centers with any ties to abortion are excluded. As the number of qualifying centers and likely donations are unknown, eligible donations would reduce general fund collections by an indeterminable amount.

A credit equal to 50% of donations is a potentially significant incentive to donate, and the limit per taxpayer of up to 50% of tax liability would allow major donors to potentially be granted enough credits to reach the $5 million annual cap with a relatively small number of donations. An assumed $5 million maximum annual impact to the state fisc is thus reflected in the table above. LFO notes that if the $5 million annual maximum is repeatedly met, credits would be granted in years beyond fiscal year 2030, reducing state general fund revenue collections until all credits are exhausted.

Senate Dual Referral Rules

- [x] 13.5.1 >= $100,000 Annual Fiscal Cost {S & H}
- [x] 13.5.2 >= $500,000 Annual Tax or Fee Change {S & H}

House

- [x] 6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}
- [ ] 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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