
DIGEST

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HB 535 Engrossed

2025 Regular Session

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Abstract: Provides for the legislative auditor's authority to evaluate and report on tax incentives in the state.

Present law (R.S. 47:1517.1) authorizes the legislative auditor (LLA) to conduct performance audits of state agency programs that administer tax incentives in order to evaluate the impact, efficiency, effectiveness, and cost-effectiveness of programs and to identify programs that are vital and in the best interests of the citizens of Louisiana. Proposed law retains present law.

Proposed law authorizes the LLA to make evaluations and to report on each tax incentive administered by a state agency pursuant to present law at least once every four years, but provides that the LLA may exempt from evaluation any incentive that he concludes has a minimal fiscal impact. Provides that the LLA may contract with third parties to assist with evaluations.

Proposed law requires that the LLA prepare a cost-benefit analysis of tax incentives and the impact they have on state revenue. Provides that the evaluations shall include quantitative assessments.

Proposed law provides that the evaluation shall include the following:

- (1) Surveying tax incentive recipients.
- (2) Analyzing economic impacts.
- (3) Forecasting the utilization of the tax incentive.
- (4) Determining whether there are newly created jobs.
- (5) If there is a local sales tax increase or decrease.

Proposed law authorizes the LLA to ensure companies participate in evaluations and accurately verify data collected.

Proposed law requires the LLA to submit a report to the legislature every odd-numbered year. Further requires that reports contain recommendations for reforms for evaluated tax incentives.

(Adds R.S. 47:1517.2)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on House and Governmental Affairs to the original bill:

1. Make technical changes.
2. Provide that evaluations and reports are done at least once every four years.
3. Provide information required to be included in an evaluation.
4. Remove proposed law authority and related provisions regarding recapturing funds.
5. Change what shall be included in the recommendations.