

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



Fiscal Note On: **HB 651** HLS 26RS 1307

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 20, 2026 5:17 PM	<b>Author:</b> BRASS
<b>Dept./Agy.:</b> Department of Revenue / LCTCS	<b>Analyst:</b> Noah O'Dell
<b>Subject:</b> Instructor Share Rebate Program	

TAX/TAX REBATES OR DECREASE GF RV See Note Page 1 of 1  
Establishes the Instructor Share Rebate Program for an employer who allows employees to teach in the La. Community and Technical College System

Proposed law establishes a rebate for employers equal to 50% of the costs incurred for allowing employees to serve as instructors within the Louisiana Community and Technical College System (LCTCS). While no cap exists on individual rebate payments, aggregate rebate payments are limited to \$1 M for calendar year 2027, with authority granted to the secretary of the Department of Revenue (LDR) to increase the cap by \$1 M in a subsequent year if at least 80% of the prior year's cap was claimed, up to a maximum annual cap of \$5.5 M. Applications are processed on a first-come, first-served basis during the application window of January 1 through March 1 of the calendar year following the year in which the rebate is earned. LDR, in consultation with LCTCS, shall promulgate rules to establish procedures for determining eligibility for the rebate. LDR shall promulgate rules for implementation and pay rebates from current tax collections.

Effective January 1, 2027. The rebate applies only to costs incurred by employers on or after January 1, 2026.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	<b>SEE BELOW</b>					
Agy. Self-Gen.	<b>\$148,213</b>	<b>\$98,327</b>	<b>\$101,277</b>	<b>\$104,315</b>	<b>\$107,444</b>	<b>\$559,576</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>

**Annual Total**

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	<b>DECREASE</b>	<b>DECREASE</b>	<b>DECREASE</b>	<b>DECREASE</b>	<b>DECREASE</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	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>

**Annual Total**

**EXPENDITURE EXPLANATION**

Proposed law is anticipated to increase SGR expenditures within the Department of Revenue (LDR) beginning in FY 27. LDR anticipates one additional Revenue Tax Specialist (salary and related benefits of \$95,463) will be needed to administer the rebate program, with annual market rate adjustments beginning in FY 28. In addition, one-time expenditures for computer system modifications, form design, and testing are estimated to result in costs of \$52,750 in FY 27.

Proposed law may result in a decrease in expenditures within the Louisiana Community and Technical College System (LCTCS) associated with instructors. However, the agency indicates any savings that arise from the rebate program would be redirected to expand additional instructional capacity and program offerings.

Note: Increases in SGR within LDR result in less monies reverted to SGF at the end of the fiscal year.

**REVENUE EXPLANATION**

Proposed law is anticipated to decrease SGF revenue by an indeterminable amount, not to exceed \$1 M in FY 27, with potentially higher revenue loss in subsequent fiscal years. The bill provides for a rebate, paid from current tax collections, for employers that allow employees to serve as instructors within LCTCS. LFO is unable to estimate participation in the rebate program or the underlying employer costs of lending employees, upon which the 50% rebate is calculated.

While no cap exists on individual rebate payments, aggregate rebate payments are limited to \$1 M for calendar year 2027. LDR is authorized to increase the cap by \$1 M in a subsequent year if at least 80% of the prior year's cap was claimed, up to a maximum annual cap of \$5.5 M. **This implies maximum exposure to the SGF of \$1 M in FY 27, \$2 M in FY 28, \$3 M in FY 29, \$4 M in FY 30, \$5 M in FY 31, and \$5.5 M each year thereafter.** Maximum exposure assumes a high level of participation and that rebate claims are paid timely. The exact timing of payments and resulting fiscal exposure may be spread across fiscal years if there are delays in processing applications. There is no sunset provision on the rebate program.

LCTCS indicates the average number of unfilled instructor vacancies systemwide has been 85 in the past three years. The system also reports that 38 instructors are currently "shared" between the system and employers with varying compensation arrangements between LCTCS and employers. Presumably, a portion of these employers may be eligible to participate in the rebate program in future years, in addition to any other employers who may be enticed to do so.

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

House  
 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}

*Alan M. Boxberger*

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**Legislative Fiscal Officer**