

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **HB 79** HLS 051ES 161
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Sub. Bill For.:
 Proposed Amd.:

Date: November 15, 2005 7:40 PM	Author: LABRUZZO
Dept./Agy.: Revenue	Analyst: Greg Albrecht
Subject: Income Tax Credit for Hotel Expenses	

TAX/INCOME-CREDIT OR DECREASE GF RV See Note Page 1 of 1
 Provides an income tax credit for hotel expenses incurred by resident taxpayers displaced by Hurricane Katrina or Rita

Provides a refundable credit against the personal income tax for unreimbursed expenses for the occupancy of hotel rooms by resident taxpayers displaced from their residence as a direct result of Hurricane Katrina or Rita.

Effective upon governor's signature.

EXPENDITURES	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The Legislative Fiscal Office does not have an estimate of the number of hotel rooms still being occupied by displaced residents of the state and at what point those expenses will no longer be funded by FEMA. Presumably these expenses will no longer be funded by FEMA when alternative housing is provided or determined to be available by FEMA. Residents remaining in hotels beyond that point would be fully reimbursed by the refundable tax credit provided by this bill, and the number of such rooms could be many thousands. Every 1,000 rooms costing only \$70 per night would generate \$2.1 million of tax credit exposure for each month those rooms were occupied. The availability of such reimbursement could also result in a large number of displaced persons remaining in hotels rather than accepting other housing alternatives. Thus, the tax loss exposure of the state resulting from this bill could be many tens of millions of dollars.

Senate

Dual Referral Rules

House

13.5.1 >= \$500,000 Annual Fiscal Cost

6.8(F) >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

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

H. Gordon Monk

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Legislative Fiscal Officer