Present law provides for the definitions of words used in Title 39 of the Revised Statutes. Proposed law would retain present law and add the definition of "incentive expenditures" to mean the reductions of and payments from current tax collections because of the following incentive benefit statutes:

(1) Atchafalaya Trace Heritage Area Development Zone Tax Exemption (Part II of Chapter 26 of Title 25 of the Revised Statutes, comprised of R.S. 25:1226 et seq.).

(2) Brownfields Investor Tax Credit (R.S. 47:6021).

(3) Cane River Heritage Tax Credit (R.S. 47:6026).

(4) Louisiana Community Economic Development (R.S. 47:6031).

(5) Ports of Louisiana Tax Credit (R.S. 47:6036).

(6) Motion Picture Investor Tax Credit (R.S. 47:6007).

(7) Research and Development Tax Credit (R.S. 47:6015).

(8) Digital Interactive Media and Software Tax Credit (R.S. 47:6022).

(9) Louisiana Motion Picture Incentive Program (Chapter 12 of Subtitle II of Title 47 of the Revised Statutes of 1950, comprised of R.S. 47:1121 et seq.).

(10) Louisiana Capital Companies Tax Credit Program (Chapter 26 of Title 51 of the Revised Statutes of 1950, comprised of R.S. 51:1921 et seq.).

(11) New Markets Tax Credit (R.S. 47:6016).

(12) University Research and Development Parks (R.S. 17:3389).

(13) Industrial Tax Equalization Program (Chapter 1 of Subtitle V of Title 47 of the Revised Statutes of 1950, comprised of R.S. 47:3201 through 3205).

(14) Exemptions for Manufacturing Establishments (Chapter 3 of Subtitle V of Title 47 of the Revised Statutes of 1950, comprised of R.S. 47:4301through 4306).

(15) Enterprise Zones (Chapter 21 of Title 51 of the Revised Statutes of 1950, comprised of R.S. 51:1781 et seq.).

(16) Sound Recording Investor Tax Credit (R.S. 47:6023).

(17) Urban Revitalization Tax Incentive Program (Chapter 22 of Title 51 of the Revised Statutes of 1950, comprised of R.S. 51:1801).

(18) Technology Commercialization Credit and Jobs Program (Part VI of Chapter 22 of Title 51 of the Revised Statutes of 1950, comprised of R.S. 51:2351 et seq.).

(19) Angel Investor Tax Credit Program (R.S. 47:6020).

(20) Musical and Theatrical Productions Tax Credit (R.S. 47:6034).

(21) Retention and Modernization Credit (Chapter 39-C of Title 51 of the Revised Statutes of 1950, comprised of R.S. 51:2399.1 through 2399.6).

(22) Green Jobs Industries Credit (R.S. 47:6037).

(23) Louisiana Quality Jobs Program (R.S. 51:2451 et seq.).

(24) Corporate Headquarters Relocation Program (Chapter 54 of Title 51 of the Revised Statutes of 1950, comprised of R.S. 51:3111 through 3115).

(25) Competitive Projects Payroll Incentive Program (R.S. 51:3121).

(26) Procurement Processing Company Rebate Program (R.S. 47:6351).

(27) Rehabilitation of Historic Structures (R.S. 47:6019).

(28) Rebate for Donations to School Tuition Organizations (R.S. 47:6301).

Proposed law would also define "current tax collections" to mean the current collections of the taxes imposed by Subtitle II of Title 47 of the La. Revised Statutes of 1950.

Proposed law would require the Revenue Estimating Conference (REC) to establish a forecast of incentive expenditures for each fiscal year, beginning for fiscal year 2015-2016, which shall include a forecast of the amount of payments from and reductions of current tax collections to be granted by each of the incentive benefit statutes listed in the definition of incentive benefit for the forecasted year. Would provide that the forecast shall be an amount that is no less than the estimated amount of payments from and reductions of current tax collections which will be made by each of the incentive benefit statutes. Such forecast shall be used to provide for the statement of incentive expenditures in the proposed executive budget.

Proposed law would provide that the incentive expenditure forecast shall be derived and based upon the assumption that the current law and current administrative procedures will remain in effect for the forecast period. Would provide that the department which administers the incentive benefit shall notify the conference when the incentive expenditure forecast is not sufficient to meet the requirements of current law or current administrative procedures. The conference may revise the forecast as necessary. Would provide that the incentive expenditure forecast shall be a separate forecast and shall not be included in the estimates of the money to be received by the state general fund and dedicated funds for the current and next fiscal years which are available for appropriation.

Proposed law would provide for the information, and the timing of submission of the information, that public officers, departments, agencies, and authorities of the state are to provide in order for the REC to prepare an incentive expenditure forecast.

Proposed law would provide that the incentive expenditure forecast shall be determined by the REC through a process to be decided by the conference except that any final action establishing an incentive expenditure forecast shall be taken only pursuant to a unanimous decision by all of the conference principals.

Present law provides that the governor shall cause to be prepared an executive budget presenting a complete financial and programmatic plan for the ensuing fiscal year which shall include recommendations for appropriations from the state general fund and dedicated funds which shall not exceed the official forecast of the REC.

Proposed law would retain present law and would further provide that the executive budget for Fiscal Year 2015-2016 and each fiscal year thereafter shall include a statement of incentive expenditures as contained in the incentive expenditure forecast. The incentive expenditures shall be stated as a separate description in the program activities of the respective department, agency, or authority of the state which administers an incentive expenditure. A statement of total incentive expenditures shall also be provided in the executive budget proposal. Such incentive expenditures shall not be included as, nor counted towards the operating expenses of the relevant department, agency, or authority. Would further provide that the statement of incentive expenditures shall not be deemed to be a recommendation for appropriation.

Present law provides for the contents and format of executive budget. Proposed law would retain present law and would further provide that the executive budget shall contain a statement of incentive expenditures as contained in the incentive expenditure forecast. The incentive expenditures shall be stated as a separate description in the program activities of the respective department, agency, or authority of the state which administers an incentive expenditure. A statement of total incentive expenditures shall also be provided in the executive budget proposal. Such incentive expenditures shall not be included as, nor counted towards the operating expenses of the relevant department, agency, or authority.

Would become effective July 1, 2014.

(Proposed to amend R.S. 39:34(A); add R.S. 39:2(15.1) and (15.2), 24.1, and 36(A)(7))

VETO MESSAGE: "Senate Bill No. 543 requires the Revenue Estimating Conference to estimate, and approve such estimate by unanimous vote, the annual expenditure of certain tax incentives. Not only could this have the unintended consequence of an aggregate tax increase on businesses and/or individuals, but it could create uncertainty about the state's commitment to job creation and economic development. Further, the bill only applies to the five percent of tax incentives that have performance requirements, such as job creation and capital investment.

Since 2008, we have worked together to achieve economic growth that is 50 percent higher than the nation's, and one of the best records of private-sector job growth in the country. Louisiana has the lowest unemployment rate in the South. We also have people moving here, coming to raise their families and build a better future, both for themselves and our state. After more than two decades of more people leaving Louisiana than moving into the state, Louisiana has experienced six years in a row of population in-migration. This bill could make Louisiana businesses and companies interested in moving to Louisiana doubt their decision to build, expand, and hire Louisiana citizens.

Furthermore, Louisiana is one of the best states in the country when it comes to the transparency of tax exemptions and economic-development incentives. Unlike other states, which don't publish any information about their tax exemptions, the Louisiana Department of Revenue annually publishes a comprehensive, online report listing all tax exemptions, including both historical and projected utilization for each of them. Louisiana Economic Development, which oversees the five percent of incentives singled out by the bill, also publishes an annual, detailed report on its website specific to those programs.

We are committed to transparent and accountable tax incentive programs, but not to the point of discouraging businesses from coming to or expanding in Louisiana and potentially impacting the jobs of our hard working citizens. Americans for Tax Reform agrees and has asked for a veto. For these reasons, I have vetoed Senate Bill No. 543 and hereby return it to the Senate."