

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 22** HLS 161ES 57
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: February 18, 2016 4:31 PM	Author: JACKSON
Dept./Agy.: Revenue	Analyst: Deborah Vivien
Subject: Makes Act 126 of 2015 Regular Session permanent	

TAX/TAX REBATES OR INCREASE GF RV See Note Page 1 of 1
 Repeals the three year sunset of certain reductions to tax rebates (Item #11)

Current law reduced certain rebate payments by 20%. The programs affected are Mega-Project Energy Assistance (Mega), Quality Jobs Program (payroll rebate), Headquarters Relocation (HQ), Competitive Projects Payroll (CPP, payroll rebate), and Enterprise Zone (investment rebate). The rebate reductions apply to applications made on or after July 1, 2015. Quality Jobs applications must be filed within 24 months after the advance notification, except for advances filed between July 1, 2011 and July 1, 2012, which may be filed prior to August 1, 2015. These rebate reductions remain in effect for three years, through June 30, 2018. Proposed law removes this June 30, 2018 expiration, making permanent these reductions in Act 126 of 2015.

Proposed law removes the June 30, 2018 expiration, making permanent the changes of Act 126 of 2015 Regular Session.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
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>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.		INCREASE	INCREASE	INCREASE	INCREASE	
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>	\$0
Annual Total	\$0					\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. This bill reduces the need for the department to change forms when the affected provisions revert back to their original level on June 30, 2018. Just as any costs would have been absorbed in the departmental budget, any resources made available will be directed to other functions of the agency.

REVENUE EXPLANATION

Under this bill, state revenue will increase in FY 18 and beyond as credit reductions adopted in Act 126 of the 2015 Regular Session of the Legislature are made permanent for all returns filed after June 30, 2018, regardless of the tax year.

While time constraints preclude the generation of new revenue estimates for the various provisions contained in Act 126, it is certain that making the Act permanent will increase state receipts beginning in FY 18 above what they would otherwise be throughout the remainder of the fiscal note horizon. Estimated net revenue effects associated with Act 126 declined in FY17 and then climbed each year due to the additional restrictions on Enterprise Zone participation also included in Act 126. This bill will insure that revenue gains will be retained from the other provisions of Act 126 that were scheduled to expire June 30, 2018.

Senate Dual Referral Rules House

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| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

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