

CONFERENCE COMMITTEE REPORT

HB 795

2016 Regular Session

Stokes

June 3, 2016

To the Honorable Speaker and Members of the House of Representatives and the Honorable President and Members of the Senate.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning House Bill No. 795 by Representative Stokes, recommend the following concerning the Reengrossed bill:

1. That the set of Senate Floor Amendments by Senator Gary Smith (#3167) be adopted.
2. That the following amendments be adopted:

AMENDMENT NO. 1

In Senate Floor Amendment No. 2 by Senator Gary Smith (#3167), on page 1, line 9, change "and/or" to "or"

AMENDMENT NO. 2

In Senate Floor Amendment No. 4 by Senator Gary Smith (#3167), on page 1, line 24, change "and/or" to "or"

AMENDMENT NO. 3

In Senate Floor Amendment No. 5 by Senator Gary Smith (#3167), on page 1, line 28, after "exemption that" and before "engages" delete "relates to an entity who" and insert "pertains to an entity that"

AMENDMENT NO. 4

In Senate Floor Amendment No. 6 by Senator Gary Smith (#3167), on page 1, line 34, after "to," and before "provides" insert "or"

AMENDMENT NO. 5

In Senate Floor Amendment No. 7 by Senator Gary Smith (#3167), on page 2, line 5, after "those" and before "that spur" delete "that are administered by"

AMENDMENT NO. 6

In Senate Floor Amendment No. 7 by Senator Gary Smith (#3167), on page 2, at the beginning of line 8, after "(i)" and before "Economic" delete "Louisiana"

AMENDMENT NO. 7

In Senate Floor Amendment No. 10 by Senator Gary Smith (#3167), on page 2, line 23, change the period ":" to a colon ":

AMENDMENT NO. 8

In Senate Floor Amendment No. 12 by Senator Gary Smith (#3167), on page 2, line 40, after "including" and before "as" delete "wages, interest etc.," and insert "but not limited to wages and interest"

AMENDMENT NO. 9

In Senate Floor Amendment No. 13 by Senator Gary Smith (#3167), on page 3, at the end of line 5, delete "items." and insert "item."

Respectfully submitted,

Representative Julie Stokes

Senator Jean-Paul J. Morrell

Representative Neil C. Abramson

Senator Eric LaFleur

Representative Paula Davis

Senator Gary L. Smith, Jr.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

CONFERENCE COMMITTEE REPORT DIGEST

HB 795

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Keyword and oneliner of the instrument as it left the House

TAX EXEMPTIONS: Provides relative to the organization of the Tax Exemption Budget

Report adopts Senate amendments to:

1. Add "Specialty Sales Tax Exemptions" and "Specialty Income Tax Exemptions" as additional categories in which tax exemptions may be organized for purposes of the Tax Exemption Budget.
2. Prohibit tax exemptions from being organized into more than one of the enumerated categories unless there is a specific notation for doing so.
3. Authorize the secretary of the Dept. of Revenue to add additional categories to the schedule.
4. Define categories in proposed law.

Report amends the bill to:

1. Make technical changes.

Digest of the bill as proposed by the Conference Committee

Present law requires the Dept. of Revenue to annually prepare a tax exemption budget detailing the prior tax years tax exemptions, including whether each exemption is meeting its purpose, whether the purpose is being achieved in a fiscally effective manner, and whether there are any inadvertent consequences caused by the tax exemption.

Proposed law retains present law and additionally requires the tax exemptions to be organized in a schedule as follows:

- (1) Agricultural/Rural: pertains to a business or person being located in a rural area or engaging in an agricultural trade or business.
- (2) Business Environment: encourages competitiveness with other states by impacting the tax burden of business entities that engage in specific activities, including the following:
 - (a) Inventory Tax Ad Valorem
 - (b) Business Utilities Sales Tax
 - (c) Manufacturing Machinery and Equipment
 - (d) Direct Inputs and Consumables

- (3) Corporate Income Tax Formula: relates to assisting, guiding, or aiding a business entity in determining the amount of its income for La. tax purposes.
- (4) Dealers and Vendors Compensation and Discounts: encourages timely filing of a return, report, form, or document or the timely payment of a tax, fee, or other amount due.
- (5) Educational Breaks for Educational Institutions: pertains to an entity that engages in a specified activity that provides or facilitates the act of learning.
- (6) Educational Breaks for Individuals: pertains to an individual who engages in a specified activity that is beneficial to, provides, or facilitates the act of learning.
- (7) Incentives: encourages a particular or specified economic activity by modifying the tax burden of the economic activity or behavior, administered through contracts with one of the following:
 - (a) Department of Economic Development
 - (b) Department of Culture, Recreation, and Tourism
 - (c) Department of Environmental Quality
 - (d) Department of Revenue
- (8) Louisiana Constitutional Mandates: outlined in the La. constitution that modifies the tax burden.
- (9) Non-itemized Sales and Use Tax Exclusions and Exemptions: not individually itemized on a La. sales tax return before March 2016.
- (10) Normal Tax Structure: prevents double taxation, direct business inputs, or violation of federal law, including the following:
 - (a) Federal Mandatory
 - (b) Intergovernment
 - (c) Interstate Commerce
 - (d) Net Operating Loss
 - (e) Normal Severance
- (11) Personal Income Tax Formula: assists, guides, or aids an individual in determining La. tax table income after determining La. adjusted gross income.
- (12) Retirement, Disability, and Military: modifies the tax owed by individuals who receive money, including wages and interest, as a result of a special status or position in life that is recognized by statute.
- (13) Specialty Sales Tax Exemptions, including the following:
 - (a) Sales tax holidays
 - (b) Purchase of a specific item
 - (c) Purchase made by a specific taxpayer
 - (d) Activities of a specific group or organization

- (14) Specialty Income Tax Exemptions, including the following:
 - (a) Performance of a specific activity
 - (b) Purchase of a specific item
 - (c) Purchase made by a specific taxpayer

Proposed law prohibits tax exemptions from being organized into more than one of the enumerated categories unless there is a specific notation for doing so and authorizes the secretary to add additional categories if deemed necessary.

Effective July 1, 2016.

(Amends R.S. 47:1517(B))