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## DIGEST

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HB 65 Original

2016 Second Extraordinary Session

Schroder

**Abstract:** Requires certain tax expenditures to be appropriated and limits the amount of each tax credit and rebate to the appropriated amount.

Proposed law requires, beginning in FY 18-19, the executive budget and the General Appropriation Bill to have an appropriation for each income and franchise tax expenditure program in the same section of law as the department that grants or administers the program.

Proposed law defines "income and franchise tax expenditure program" as each income and franchise tax credit and each income and franchise tax rebate authorized pursuant to present law.

Proposed law limits, beginning in FY 18-19, the amount of each income and franchise tax credit or income and franchise tax rebate to the amount appropriated in the General Appropriation Bill for each fiscal year. Further requires the department administering the provisions of an income and franchise tax credit or income and franchise tax rebate to establish by rule, the method of allocating available income and franchise tax credits and rebates.

Proposed law provides that any incentive expenditure as defined in present law (R.S. 39:2(15.1)) in which a periodic program evaluation and either a program cap or a per taxpayer cap or a coterminous periodic program sunset are established prior to commencement of the 2018 R.S. shall not be subject to the appropriation requirement established pursuant to proposed law. Proposed law requires the program evaluation for these incentive expenditures to be conducted not less than once every five years. Further provides for the requirement of the program evaluation.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 39:51(E) and (F); Adds R.S. 39:34(F) and 51(G) and R.S. 47:1675(K))