

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 118** SLS 17RS 11

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 9, 2017	5:43 PM	<b>Author:</b> COLOMB
<b>Dept./Agy.:</b> Revenue		<b>Analyst:</b> Greg Albrecht
<b>Subject:</b> Income Tax Credit - Flood Insurance Premiums		

PROPERTY INSURANCE OR -\$354,800,000 GF RV See Note Page 1 of 1  
 Authorizes a state tax credit for premiums paid for flood insurance through the National Flood Insurance Program. (1/1/18)

Proposed law provides a refundable tax credit against income tax for the amount of annual premiums paid for flood insurance purchased through the National Flood Insurance Program.

Effective for tax periods beginning on or after January 1, 2018.

<b>EXPENDITURES</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	(\$354,800,000)	(\$354,800,000)	(\$354,800,000)	(\$354,800,000)	<b>(\$1,419,200,000)</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>(\$354,800,000)</b>	<b>(\$354,800,000)</b>	<b>(\$354,800,000)</b>	<b>(\$354,800,000)</b>	<b>(\$1,419,200,000)</b>

**EXPENDITURE EXPLANATION**

The Department of Revenue will incur minor reprogramming costs to incorporate the change in this credit. Additional resources may be required by the department dependent upon the cumulative amount of changes enacted in the session.

**REVENUE EXPLANATION**

According to policy statistics available from the National Flood Insurance Program, as of the beginning of 2017 there were 491,498 policies in force in Louisiana, with associated premiums of \$354.8 million. This bill provides a refundable tax credit that reimburses for the full amount of premium paid regardless of a taxpayer's tax liability. While some taxpayers will not claim credits available to them, the aggregate amount of premiums associated with the policies in force represents the state's exposure from this tax credit. the credit is first available for tax year 2018, for which returns will be largely be filed in the early months of 2019, the second half of FY19. Realizations of credits against the stare fisc will likely ramp-up over a few years, but annual premiums and state exposure may also increase.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*John D. Carpenter*  
**John D. Carpenter**  
**Legislative Fiscal Officer**