

## HOUSE SUMMARY OF SENATE AMENDMENTS

HB 342

2018 Regular Session

Abramson

REVENUE DEPARTMENT: Changes the deadline for agencies which administer tax incentives to submit reports to the legislature

### Synopsis of Senate Amendments

1. Change the deadline for agencies that administer tax incentives to prepare and submit their reports from April of *each* year to April of each *even-numbered* year.
2. Changes the hearing date on tax incentive reports from the House Ways and Means and Senate Revenue and Fiscal Affairs Committees from annually every odd-numbered year to be concluded 30 days before commencement of the R.S. of the Legislature to no later than 30 days prior to the first day the legislature convenes in each odd-numbered year.
3. Add requirement that beginning in 2019, the report for tax incentives that include job creation as a component must include the number of employees that had a La. driver's license at the time they were hired.
4. Add requirement that beginning in 2020, the Dept. of Revenue perform a comprehensive return on investment analysis for any tax incentive that results in loss of state revenue in excess of \$1M in the previous year. Further requires the department to rank tax incentives by return on investment.
5. Change the party to which the reports are required to be submitted from the legislature to the House Ways and Means and Appropriations Committees and the Senate Revenue and Fiscal Affairs and Finance Committees.

### Digest of Bill as Finally Passed by Senate

Present law requires the Dept. of Revenue (DOR) to prepare a tax exemption budget each year that includes state revenue loss for the preceding three years caused by each tax exemption, deduction, exclusion, and credit authorized by law. Additionally, requires agencies other than DOR that administer tax credits and rebates to annually report information regarding how much tax credits and rebates cost the state each year.

Proposed law retains present law but changes its application to even-numbered years.

Present law requires the annual report from DOR and all agencies that administer tax credits and rebates to be submitted to the legislature no later than March 1st each year. Present law provides specifics regarding the information that must be reported to the Senate Finance and Revenue and Fiscal and Appropriations and Ways and Means.

Proposed law changes the date the annual report is to be submitted from March 1st each year to the legislature to April 1st each even-numbered year to the Senate Revenue and Fiscal Affairs and Finance Committees and the House Ways and Means and Appropriations Committees.

Proposed law requires, beginning in 2019, that the reports for tax incentives that include a job creation component to include the number of employees hired who had a La. drivers license at the time that they were hired.

Proposed law requires, beginning in 2020, DOR to perform a comprehensive return on investment analysis for all tax incentives for which the revenue loss was \$1M or more in the

previous fiscal year. Further requires the report to rank tax incentives by return on investment.

Present law requires the the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs to conduct hearings on the reports every odd-numbered year, to be concluded 30 days before commencement of the R.S. of the Legislature.

Proposed law changes the deadline for the legislative committees to conclude hearings from annually every odd-numbered year to be concluded 30 days before commencement of the R.S. of the Legislature to no later than 30 days prior to the first day the legislature convenes in each odd-numbered year.

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

(Amends R.S. 47:1517.1(A),(B)(intro. para.), (B)(1), and (G); Adds R.S. 47:1517.1(B)(4) and (5))