

**SENATE COMMITTEE AMENDMENTS**

2018 Regular Session

Amendments proposed by Senate Committee on Finance to Original Senate Resolution No. 178 by Senator Donahue

1 AMENDMENT NO. 1

2 On page 1, line 2, after "sales" delete the remainder of the line and insert "taxes, includes the  
3 impact of federal tax policy, and provides"

4 AMENDMENT NO. 2

5 On page 1, line 3, after "budget and" insert "includes"

6 AMENDMENT NO. 3

7 On page 1, between lines 3 and 4, insert the following:

8 "WHEREAS, the official forecast for Fiscal Year 2017-2018 incorporates the  
9 collections of an entire fifth penny in sales and use tax which, when combined with  
10 other sources of revenue collections, support the Fiscal Year 2017-2018 state budget  
11 enacted by the Legislature of Louisiana after three sessions of deliberations, and  
12 which budget currently includes funds for the scholarships for the Taylor  
13 Opportunity Program for Students, as well as the delivery of services by the  
14 Louisiana Department of Health, and funding for the medical schools and the public-  
15 private partnerships, all in accordance with Act 3 of the Second Extraordinary  
16 Session of 2017, the general appropriations act for Fiscal Year 2017-2018; and"

17 AMENDMENT NO. 4

18 On page 1, line 5, change "2019" to "2018-2019"

19 AMENDMENT NO. 5

20 On page 1, at the end of line 9, delete the period and insert the following:

21 "; and

22 WHEREAS, the governor of Louisiana, in accordance with the Constitution  
23 of Louisiana presented a Fiscal Year 2018-2019 executive budget allocating only  
24 those revenues contained in the then current official forecast of the Revenue  
25 Estimating Conference which totaled \$8.6 billion; and

26 WHEREAS, the standstill budget for Fiscal Year 2018-2019, as modified for  
27 the inclusion of additional means of financing, would total \$9.75 billion; and

28 WHEREAS, the governor identified approximately \$995.4 million in  
29 expenditures that did not receive funding in his executive budget that, if funded,  
30 would bring his budget to \$9.5 billion which is less than a modified standstill budget;  
31 and

32 WHEREAS, the programs and amounts which did not receive funding in the  
33 executive budget are, as follows:

Program	State Portion of Unfunded FY 2019 Cost
LDH-Mostly Medicaid	\$ 656,612,820

1	TOPS Program	\$ 233,342,683
2	Local Housing/State Prisoners	\$ 40,408,330
3	District Attorneys/Assistant District Attys	\$ 26,314,182
4	Higher Education Base Funding	\$ 25,680,922
5	Go Grants	\$ 13,000,000
6	<b>TOTAL</b>	<b>\$ 995,358,937</b>

7 WHEREAS, if the Louisiana Department of Health does not receive the  
 8 amount of funding set forth above, many, if not all, of the public-private  
 9 partnerships have indicated that they will terminate their agreements with the state,  
 10 which will eliminate their responsibility to make lease payments to the state which  
 11 will result in a loss of state revenues and economic activity and cause fiscal  
 12 instability; and

13 WHEREAS, since the time the Executive Budget was submitted to the  
 14 legislature, the Revenue Estimating Conference increased the official forecast by  
 15 \$346 million as a result of changes in federal tax policies, thereby reducing the  
 16 projected deficit for Fiscal Year 2018-2019 to \$650 million.

17 THEREFORE, BE IT RESOLVED that the Senate of the Legislature of  
 18 Louisiana can consider reducing the current collection of five pennies of sales and  
 19 use tax by the state to four and one-half cents, or some portion thereof, which would  
 20 reduce the tax burden on the citizens of the state and yet maintain a portion of the  
 21 sales tax by generating approximately \$402 million of the original \$806 million, and  
 22 further closing the gap between the estimated Fiscal Year 2018-2019 revenues and  
 23 expenditures."

24 AMENDMENT NO. 6

25 On page 1, at the beginning of line 10, change "THEREFORE, BE IT" to "BE IT  
 26 FURTHER"

27 AMENDMENT NO. 7

28 On page 1, line 11, after "identify" delete the remainder of the line, delete lines 12 and 13  
 29 and insert:

30 "additional expenditure reductions in the standstill budget where possible and  
 31 revenue reduction options:

32	Revenue Source	Current Tax Paid	Savings from Tax Reduction
33	5 <sup>th</sup> Penny	\$ 806 Million	
34	Reduce Penny Tax by 3/4		\$ 603 Million
35	Reduce Penny Tax by 1/2		\$ 402 Million
36	Reduce Penny Tax by 1/4		\$ 201 Million
37			

38 BE IT FURTHER RESOLVED that the Senate of the Legislature of  
 39 Louisiana may consider sales and use tax exemptions and exclusions, currently  
 40 provided by law, as follows:

41 **Penny Cleaning-Existing Levies 4% Rate**

1	Retain limited exemptions and exclusions on R.S. 47:302	
2	2% sales tax levy (HB 25 2018 1 <sup>st</sup> ES)	\$149 Million/year
3	*MM&E is currently exempt from this levy	
4	*Nonresidential utilities are taxable under this levy	
5	Existing limited exemptions and exclusions on the R.S.	
6	47:321 1% sales tax levy	\$29 Million/year
7	*MM&E is currently taxable under the levy	
8	*Nonresidential utilities are exempt	
9	Existing limited exemptions and exclusions on the R.S.	
10	47:331 1% sales tax levy	\$12 Million in FY 19
11	*MM&E is currently exempt from this levy	\$49 Million in FY 20
12	*Nonresidential utilities are exempt after nine months of FY	
13	2019	

14 BE IT FURTHER RESOLVED that standstill requirements shall be in effect  
 15 for all expenditures contained in HB 1, and the following reductions to Incentive  
 16 Expenditures below shall achieve a standstill budget for Fiscal Year 2019-2020 and  
 17 thereafter, which reductions shall be achieved through creating maximum  
 18 expenditure authority for each program until otherwise authorized, as follows:

19	Maintain Standstill Incentive Expenditure	Limitation	Savings to
20	Budget	on Program	further
		Based on FY	replace
		2018	remaining
			portion of
			the 5 <sup>th</sup> Penny
21	Atchafalaya Trace Heritage Area Development Zone		
22	Cane River Heritage Tax Credit		
23	Tax Credit for Rehabilitation of Historic Structures	\$61,587,240	\$16,412,760
24	Brownfields Investor Tax Credit	\$31,583	\$8,417
25	Louisiana Community Economic Development Act		
26	Port of Louisiana Tax Credits		
27	Motion Picture Investor Tax Credit	\$142,124,400	\$37,875,600
28	Research and Development Tax Credit	\$6,316,640	\$1,683,360
29	Digital Interactive Media and Software Act	\$23,687,400	\$6,312,600
30	Louisiana Motion Picture Incentive Act		
31	New Markets Tax Credit	\$789,580	\$210,420
32	University Research and Development Parks		
33	Industrial Tax Equalization Program	\$3,158,320	\$841,680
34	Exemptions for Manufacturing Establishments		
35	Louisiana Enterprise Zone Act	\$31,583,200	\$8,416,800
36	Sound Recording Investor Tax Credit	\$157,916	\$42,084
37	Urban Revitalization Tax Incentive Program		
38	Technology Commercialization Credit and Jobs	\$78,958	\$21,042
39	Program		
40	Angel Investor Tax Credit Program	\$1,579,160	\$420,840

1	Musical and Theatrical Productions Income Tax	\$6,158,724	\$1,641,276
2	Credit		
3	Retention and Modernization Act	\$3,947,900	\$1,052,100
4	Tax Credit for Green Jobs Industries		
5	Louisiana Quality Jobs Program Act	\$78,958,000	\$21,042,000
6	Corporate Headquarters Relocation Program		
7	Competitive Projects Payroll Incentive Program	\$315,832	\$84,168
8	Louisiana Capital Companies Tax Credit Program		
9	Procurement Processing Company Rebate Program	\$9,080,170	\$2,419,830
10	Rebates for Donations to School Tuition	\$5,684,976	\$1,515,024
11	Organizations		
12	<b>TOTAL</b>	<b>\$375,240,000</b>	<b>\$100,000,000</b>

13                   BE IT FURTHER RESOLVED that the Senate of the Legislature of  
14 Louisiana shall endeavor to allocate all revenue adjustments recognized since  
15 January 1, 2018, in a manner that ensures stability to the citizens of the state by  
16 funding eligibility categories for the disabled and elderly under the Medicaid  
17 program, medical education, supplemental Medicaid payments to the public-private  
18 partnership hospitals, the Taylor Opportunity Program for Students scholarships,  
19 local housing of state prisoners, the district attorneys and the assistant district  
20 attorneys, higher education base funding, and GO Grants."