



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 5** SLS 202ES 11
Bill Text Version: **ENROLLED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: October 21, 2020 10:08 AM	Author: HEWITT
Dept./Agy.: Plaquemines Port, Harbor and Terminal District	
Subject: Authorizes application for designation as a foreign trade zone	Analyst: Alan M. Boxberger

PORTS/HARBORS/TERMINALS EN SEE FISC NOTE LF RV See Note Page 1 of 1
Authorizes Plaquemines Port, Harbor and Terminal District to apply for designation as a foreign trade zone. (See CA3s19) (Item #47)

Present law authorizes specified entities to make application to be designated as a foreign trade zone and to establish, maintain and operate as a foreign trade zone. Proposed law authorizes the Plaquemines Port, Harbor and Terminal District to apply for designation as a foreign trade zone. Proposed law makes technical changes and provides for an effective date.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

Proposed law may result in an indeterminable decrease in Local Funds collections for goods and property not subject to local ad valorem taxes if the Plaquemines Port, Harbor and Terminal District achieves designation as a Foreign Trade Zone (FTZ). Proposed law adds the Plaquemines Port, Harbor and Terminal District to the list of entities eligible to make an application to be designated as a FTZ and to establish, maintain and operate as a foreign trade zone. The District was created as a public corporation and political subdivision of the State of Louisiana in 1954. The Plaquemines Parish Commission Council is declared to be the governing authority of the District.

Designation by the Foreign Trade Zone Board, under the guidance of the U.S. Department of Homeland Security’s Customs and Border Protection, provides specific cost savings to the entities operating within the FTZ. In addition to certain benefits with regard to reductions, deferrals and/or exemptions of duties and tariffs, FTZs also provide that goods held in zones for export are not subject to state or local inventory taxes. The amount of any tax benefits that may accrue to the property owners within the District if it attains FTZ status is unknown, and the impact on local revenues is indeterminable.

With regard to local property taxation, millage adjustments may occur such that the total amount of taxes collected in the year does not differ from the amount collected in the preceding year. In addition, local assessors can reappraise property on an annual basis. Thus, one of the effects of the bill may be a shifting of the incidence of the property tax burden among property owners, rather than necessarily an aggregate decrease in local property tax collections.

In addition, Louisiana Revised Statutes stipulate that corporeal movable property located in an FTZ shall be considered located outside of Louisiana for determination of Louisiana apportionment percent (R.S. 47:245(H) and R.S. 47:287.95(H)); and property located in FTZs shall be considered located outside of Louisiana for allocation of taxable capital (R.S. 47:606 (D)). Thus, state corporate income and franchise tax receipts may also be reduced, although the extent of this effect, if any, is also indeterminable.

Senate	Dual Referral Rules	House	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	
			 Gregory V. Albrecht Chief Economist