

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 45** SLS 21RS 180

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 15, 2021	5:39 PM	Author: HARRIS, JIMMY
Dept./Agy.: Economic Development / Revenue		Analyst: Greg Albrecht
Subject: Extend Ports of Louisiana Tax Credit Program		

TAX/TAXATION

OR SEE FISC NOTE GF RV

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Extends the sunset date for Ports of Louisiana tax credits. (gov sig)

Current law provides a tax credit of 72% of total capital costs of qualified port projects, to be taken at rate of 5% per year against income and franchise tax liabilities. The credit is subject to a maximum annual cap of \$4.5 million per year.

Current law provides a tax credit against income and franchise tax liabilities of \$3.60 per ton of qualified cargo over a pre-certification tonnage level. The credit is subject to a maximum annual cap of \$4.5 million per year.

Current law provides that no investor or cargo tax credits can be granted after July 1, 2021.

Proposed law extends the termination date for granting both tax credits for four years, until July 1, 2025.

Effective upon governor's signature.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

Since inception, there has been no participation in these two credit programs, and no tax credits have been claimed. The Dept. of Economic Development indicates that it is not aware of any pending applications for the programs. Thus, there is no baseline of participation from which to base a projection of potential future participation. Regardless, extension of the program can only work to maintain state exposure of up to \$9 million per year of tax credit revenue loss should the programs have participation in the future.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Christopher A. Keaton
Legislative Fiscal Officer