



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

Fiscal Note On: **HB 436** HLS 22RS 450  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 13, 2022 9:18 AM	<b>Author:</b> TARVER, PHILLIP
<b>Dept./Agy.:</b> Revenue	<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Personal income tax filer rebate	

TAX/TAX REBATES OR +\$300,000,000 SD EX See Note Page 1 of 1  
 Authorizes a one-time rebate of a portion of state tax revenue to certain taxpayers

Proposed law directs the Treasurer to deposit \$300M in current year (FY 22) state general fund into the Louisiana Taxpayer Rebate Fund created by this bill to pay a one-time rebate. Rebates will be offered to every resident required to file an individual income tax return for TY 2021 with adjusted gross income (AGI) less than \$150,000 as determined through a separate application filed with the Department of Revenue between October 1, 2022, and December 31, 2022. Rebates will be paid through the Department of Treasury. Each eligible applicant with an adjusted gross income less than \$150,000 will receive a one-time rebate: AGI less than \$100,000 will receive a rebate of \$125, AGI between \$100,000-\$124,999 will receive a rebate of \$100, AGI between \$125,000-\$149,999 will receive a rebate of \$75. Joint filers will receive 2 rebates (joint max income = \$150,000). All filers will receive an additional rebate of \$125 for each dependent (max of 2 per return). Rebates will be exempt from seizure except for payment of spousal or child support. The Department of Revenue may promulgate rules and is responsible for application verification and recapture of the rebate, if necessary. Effective 6/30/22.

<b>EXPENDITURES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$350,000	SEE BELOW	SEE BELOW	\$0	\$0	<b>\$350,000</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$300,000,000	\$0	\$0	\$0	\$0	<b>\$300,000,000</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><u>\$0</u></b>
<b>Annual Total</b>	<b>\$300,350,000</b>			<b>\$0</b>	<b>\$0</b>	<b>\$300,350,000</b>

<b>REVENUES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</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><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

The Department of Revenue has determined that additional resources will be needed to implement this bill, including 7 WAE employees: 2 Revenue Tax Analysts for anticipated telephone call volume and 5 Revenue Tax Specialists for manual review of applications and telephone call volume. At base salaries of \$31,336 and \$43,186 for Analysts and Specialists, respectively, total costs are expected to be approximately \$350,000. The timeframe that the WAE employees will be needed is uncertain. In addition, the Department of Treasury may need additional resources to process the volume of checks that may be generated by the number of potential applicants (about 1.9 million based on 2019 and 2020 filings).

After the checks have been issued, verifying AGI through federal forms cannot occur until federal data is available, which can take up to 2 years. Once the federal match can be made, LDR may need additional resources for recapture.


No sources of funding for the additional expenses have been identified by the bill, so the source is assumed to be state general fund. Total expenses for implementation in FY 23 could be in excess of \$350,000, depending on needs once procedures are known. Future year expenses are dependent upon the recapture that may be necessary.

The appropriation of \$300 M, which will occur in a separate instrument should this bill become enacted, is sourced from FY 22 state general fund but appropriated through a statutory dedication (Louisiana Taxpayer Rebate Fund) in FY 23. LDR estimates that the rebates in this form will require about \$400 M to pay all anticipated taxpayers, based on the average of FY 19 and FY 20 filers. However, it is not clear how many filers will apply for the rebate since the rebate application is not tied to the tax return filing. As a note, only those required to file are eligible for the rebate, which means lower income residents who are not required to file an income tax return will not be eligible for the refund.

**REVENUE EXPLANATION**

The bill will have no impact on revenue during the fiscal note horizon. The bill contemplates the use of \$300 M in FY 22 state general fund that will be deposited to the Louisiana Taxpayer Rebate Fund to pay rebates in FY 23 and does not change tax or fee liabilities.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" 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}

  
**Alan M. Boxberger**  
 Interim Legislative Fiscal Officer