



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **SB 79** SLS 23RS 295
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 25, 2023 8:53 PM	Author: LUNEAU
Dept./Agy.: Economic Development/Revenue	Analyst: Benjamin Vincent
Subject: Tax Credits and Incentives: Administration	

TAX/TAXATION EG SEE FISC NOTE GF RV See Note Page 1 of 1
 Provides relative to expenditures utilized to claim income and franchise tax credits. (gov sig)

Proposed law prohibits the claiming of any expenditure on more than one state credit, rebate, exclusion, or deduction, and specifies that incentives administered by the Department of Economic Development (LED) are not included in the prohibition.

Effective upon governor's signature, and applicable to all taxable periods beginning on or after January 1, 2023.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	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	2023-24	2024-25	2025-26	2026-27	2027-28	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

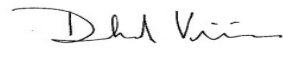
Proposed law prohibits any expenditures being utilized to qualify for multiple credits, rebates, exemptions, or exclusions. The prohibition does not extend to incentives administered by LED.

Several incentives and credits have statutory language that prohibits such stacking with other rebates, exemptions, exclusions, or credits, and unless an individual incentive's statutory language prohibits stacking, there is no broad prohibition against it. Neither LED nor LDR has information regarding the current extent of stacking. LFO notes that estimating such a figure would likely be a complex effort requiring coordination across the multiple agencies that perform administration, monitoring, enforcement, and awarding of incentives among the several dozen incentive programs.

To the extent that the practice exists, and to the extent that compliance and enforcement of its prohibition would be effective, general fund revenues would increase by an indeterminable amount.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}



Deborah Vivien
Chief Economist