



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 535** HLS 25RS 882

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 13, 2025	4:46 PM	Author: LANDRY, MANDIE
Dept./Agy.: Legislative Auditor		
Subject: LLA reporting on tax incentive		Analyst: Julie Silva

LEGISLATIVE AUDITOR

OR +\$185,000 GF EX See Note

Page 1 of 1

Requires the Louisiana Legislative Auditor to evaluate state tax incentives

Proposed legislation requires the Louisiana Legislative Auditor (LLA) to evaluate and conduct cost-benefit analyses on specific tax incentive programs in the state. Permits the LLA to contract with a private company, nonprofit, or academic institution to assist with evaluations. Authorizes the LLA to recapture and recover all or a portion of a particular tax incentive from a company if the company refuses to submit required data or does not meet the contractual obligations of the incentive it received. Any amount recaptured or recovered can be used to fund future evaluations, future economic development, or general expenses. Reporting is required in every odd numbered year.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$185,000	\$190,400	\$196,016	\$201,857	\$207,931	\$981,204
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	\$185,000	\$190,400	\$196,016	\$201,857	\$207,931	\$981,204

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed legislation is anticipated to increase annual SGF expenditures at the Louisiana Legislative Auditor (LLA) by \$185,000, beginning in FY 26. Total costs include those associated with hiring an additional economist (\$135,000 salary and related benefits) and the procurement and annual licensing of software able to perform the specific cost-benefit analysis that will be required (\$50,000). The LLA assumes an annual increase of 4% for salaries and related benefits. The annual estimate for software costs is based on existing state contracts for similar software.

The additional economist will be tasked with the evaluation of certain tax incentive programs and will be required to prepare biannual cost-benefit analyses of those incentives. While the LLA currently does not have a cost estimate to contract with an outside entity for the purposes of proposed legislation, if they opt to do so the estimated increase in expenditures associated with hiring a full-time employee may be mitigated to an unknown degree.

REVENUE EXPLANATION

To the extent the LLA identifies and recaptures all or a portion of a tax incentive due to noncompliance by a company with a request for data or because the company does not meet the contractual obligations for eligibility for an incentive, an increase in SGF revenues is anticipated. The LFO is unable to determine the total amount, if any, of dollars that may be recaptured in this way.

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}



Patrice Thomas
Deputy Fiscal Officer