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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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DIGEST

SB 33 Engrossed

2025 Regular Session

Allain

Proposed law creates the Government Accountability and Innovation for Net Savings (GAINS) tax credit program and provides a tax credit against income tax to incentivize state employees to identify and request implementation of state savings proposals. Also provides that the commissioner of the division of administration (commissioner) is responsible for the administration of the credit.

Proposed law defines terms for purposes of the GAINS tax credit program including the terms "agency", "commissioner", "department", "eligible state employee", and "state savings".

Proposed law establishes a tax credit against individual income tax for state savings recommended by an eligible state employee through a state savings proposal. Also requires the state savings to be implemented by the state in order for the credit to be granted.

Proposed law establishes a fiscal year cap for the GAINS credit program of \$10 million per fiscal year.

Proposed law provides that the GAINS credit is equal to 30% of the state savings and provides that the credit is earned when certified by the commissioner.

Proposed law requires the GAINS tax credit to be claimed as follows:

- (1) 15% of the total state savings certified by the commissioner to be claimed for the tax year in which the GAINS tax credit is certified by the commissioner.
- (2) 10% of the total state savings certified by the commissioner to be claimed for the tax year following the year in which the GAINS tax credit is certified by the commissioner.
- (3) 5% of the total state savings certified by the commissioner to be claimed for the second tax year following the year in which the GAINS tax credit is certified by the commissioner.

Proposed law allows GAINS credits to be claimed on the eligible state employee's individual income tax return. Further provides that if the tax credit exceeds the amount of taxes due, any unused credit may be carried forward for a period not to exceed ten years.

Proposed law requires an eligible state employee to submit the state savings proposal to their agency head.

Proposed law requires the head of an agency to determine if implementation of the state savings proposal would result in a state savings and submit a recommendation to the commissioner for the certification of a GAINS tax credit. Further requires the agency head to provide written concerns or objections related to adoption and implementation of the state savings proposal.

Proposed law requires the commissioner to review the agency recommendation for GAINS tax credits and certify or deny credits.

Proposed law provides for the recapture and recovery of credits under certain circumstances.

Proposed law requires the commissioner to promulgate rules to provide for the implementation of the GAINS tax credit program within 180 days of the effective date of proposed law.

Proposed law authorizes the Dept. of Revenue to promulgate rules as necessary for implementation of the GAINS tax credit program.

Proposed law provides that no GAINS tax credits shall be certified on or after July 1, 2029.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 47:6044)