

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



Fiscal Note On: **HB 185** HLS 13RS 807

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 25, 2013 9:11 AM	<b>Author:</b> COX
<b>Dept./Agy.:</b> La. Community and Tech. College System (LCTCS)	<b>Analyst:</b> Charley Rome
<b>Subject:</b> 50% Tax Credit for Donations to the LCTCS	

TAX CREDITS

OR DECREASE GF RV See Note

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Authorizes a tax credit for donations made to the La. Community and Technical College System

Proposed law authorizes a credit against any income or corporation franchise tax liability for donations made to the La. Community and Technical College System (LCTCS). The amount of the credit is equal to 50% of the value of the donation. Proposed law requires that the credit be taken in the taxable period in which the donation is made. Proposed law authorizes the promulgation of rules. Effective for all taxable periods beginning on or after Jan. 1, 2013.

<b>EXPENDITURES</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</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>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

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

**REVENUE EXPLANATION**

The LCTCS reports that it currently receives approximately \$2 million per year in donations that would be eligible for the 50% credit in income or corporate franchise taxes. Thus, based on this current baseline, the would expose the state general fund to at least \$1 million per year of losses. However, the bill's tax credit would likely increase donations to the LCTCS. Donors could double their donations to \$4 million a year with no effective additional cost to themselves, since they would be reimbursed for one-half the donation by the credit, leading to a \$2 million loss to state revenue. It is speculative as to how much more donations and consequent credits would be induced by the bill, but state revenue loss exposure could be substantial.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S}
<input checked="" 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}

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