

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



Fiscal Note On: **HB 444** HLS 13RS 427  
 Bill Text Version: **ENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 14, 2013	1:14 PM	<b>Author:</b> BURRELL
<b>Dept./Agy.:</b> Revenue		<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Evaluation and termination of certain tax credits		

TAX CREDITS EG SEE FISC NOTE GF RV See Note Page 1 of 1  
 Requires the termination of certain tax credits

Proposed law specifies that the House Ways & Means and Senate Finance Committees will review certain credits by 9/1/13 to determine if the economic benefit outweighs the loss of revenue to the state from such credit. By 3/15/15, the Committees are to provide a specific recommendation to extend or terminate the credit. The bill also repeals 6 credits that are not actively being issued or are relatively small.

Effective upon governor's signature.

<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.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
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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>

**EXPENDITURE EXPLANATION**

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

**REVENUE EXPLANATION**

The credits in the bill appear to be those identified as requiring further review during the Tax Exemption Review Committee that met during the interim in 2012/13. Certain credits are targeted for review which will examine the return to the state of keeping the credits.

Using the 2013 Tax Exemption Budget for data reported for FY 12, the value of the credits listed in the bill total approximately \$860 M. Nearly 76% of the value of the credits are in reimbursements for ad valorem tax payments (50%: inventory, natural gas, vessels, and telephone company property), and film production and infrastructure spending (26%).

The credits repealed by this bill are no longer actively utilized and are expected to provide only small fiscal impact. They are an employer tax credit for employee alcohol and substance abuse treatment programs, an employer credit for donations of materials, equipment, advisors or instructors to public training providers, vo-tech schools, etc., New Markets Tax Credit, Brownsfield Investor Tax Credit, Mentor-Protege Tax Credit, and the "Green Job Industries" tax credit. Some of these credits may have carry-forward balances remaining that may continue to impact the fisc as the balances are exhausted.

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|---|--|--------------|
| <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 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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