

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



Fiscal Note On: **HB 316** HLS 13RS 79

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 14, 2013 1:20 PM	<b>Author:</b> JACKSON, K
<b>Dept./Agy.:</b> Revenue/Economic Development/CRT	<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Report on tax incentives	

TAX/TAXATION

EG NO IMPACT GF EX See Note

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Requires state agencies which administer tax credits and rebates to report certain information

Current law requires an annual Tax Exemption Budget to be published outlining all tax exemptions, credits, deductions, exclusions, rebates, etc.

Proposed law retains current law and requires an annual report to be submitted to the legislature by March 1 by each agency administering a tax incentive outlining the purpose and success of each incentive as well as the return on investment and any unintended consequences. Administration is evidenced by rule promulgation, eligibility determination, contract participation or oversight. The Department of Revenue will determine the format and provide it to relevant agencies. House Ways and Means and Senate Revenue & Fiscal Affairs Committees are required to conduct hearings on the reports every odd-numbered year to be concluded 30 days before the start of the session. The committees are required to analyze any tax incentive causing a revenue loss in any of the previous three fiscal years and may report findings.

<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>
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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 only minor anticipated direct material effect on governmental expenditures as a result of this measure. The reports required of agencies is very similar to the one currently published by the Department of Revenue (Tax Exemption Budget), and the Revenue Department is to provide the format of the report to other agencies, modeled after its own existing report. Since the large bulk of tax incentives are administered the Departments of Revenue and Economic Development, and those departments are accustomed to routinely reporting on their various programs, the administrative cost of this new reporting requirement for other agencies is not expected to be significant.

**REVENUE EXPLANATION**

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

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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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