

Regular Session, 2013

# ACT No. 191

HOUSE BILL NO. 316

BY REPRESENTATIVES KATRINA JACKSON AND JAMES

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

1 AN ACT

2 To enact R.S. 47:1517.1, relative to tax incentives; to require state agencies which  
3 administer tax credits and tax rebates to make certain reports; to provide relative to  
4 the contents of such reports; to provide for certain requirements and limitations; to  
5 exclude certain programs from applicability; to provide for definitions; and to  
6 provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:1517.1 is hereby enacted to read as follows:

9 §1517.1. Tax incentives; state agencies and state offices that administer tax  
10 incentives; reporting requirements

11 A. The Department of Revenue is required to prepare a tax exemption budget  
12 each year that includes state revenue loss for the preceding three years caused by  
13 each tax exemption, deduction, exclusion, and credit authorized by law; however, in  
14 addition to the Department of Revenue, a number of other state agencies administer  
15 tax credits and rebates. Likewise, the legislative auditor's office has statutory  
16 authority to conduct performance audits of state agency programs in order to  
17 evaluate the impact, efficiency, effectiveness, and cost-effectiveness of programs and  
18 to identify programs that are vital and in the best interests of the citizens of  
19 Louisiana. In order for the legislature and the legislative auditor's office to get  
20 accurate and complete information regarding how much tax credits and rebates cost  
21 the state each year, each state agency that administers tax credits and rebates shall  
22 annually report the information required by this Section to the legislature.

1           B. No later than the first day of March each year, the head of each state  
2           agency that administers a tax credit or tax rebate, referred to in this Section  
3           collectively as "tax incentive", shall prepare and submit to the legislature a report  
4           regarding each tax incentive that the agency administers. The report shall include  
5           an assessment of each tax incentive based on the following criteria:

6                   (1) Whether or not each tax incentive has been successful in meeting the  
7                   purpose for which it was enacted, in particular, whether each tax incentive benefits  
8                   those originally intended to be benefited, and if not, those who do benefit.

9                   (2) Whether or not the state receives a positive return on investment from the  
10                  business or industry for which the tax incentive is intended to benefit and any other  
11                  economic benefits produced by such tax incentive.

12                  (3) Unintended or inadvertent effects, benefits, or harm caused by each tax  
13                  incentive, including whether each tax incentive conflicts with other state laws or  
14                  regulations.

15                  C.(1) Nothing in this Section shall be construed to require the disclosure of  
16                  proprietary or trade secret information that has been submitted to any state agency  
17                  with respect to a tax credit.

18                  (2) Nothing in this Section shall be construed to supercede any provision of  
19                  R.S. 47:1508 with respect to the confidentiality of taxpayer records.

20                  D. Each state agency required to submit a report pursuant to the provisions  
21                  of this Section may request from any other state or local agency or official any  
22                  information necessary to complete the report required by this Section. Any such  
23                  agency or official shall comply with this request.

24                  E. For purposes of this Section, the term "state agency" shall mean any  
25                  office, department, board, commission, institution, or division within the executive  
26                  branch of state government. Administration of a tax incentive shall be evidenced by  
27                  a legal requirement or authorization to undertake any of the following actions for  
28                  purposes of administration of the tax incentive:

29                   (1) Promulgation of rules or regulations; in cases where more than one  
30                   agency has rulemaking authority, the report shall be prepared collaboratively.

1                   (2) Determination, review, or confirmation of eligibility or qualifications.

2                   (3) Entering into a contract with an entity for purposes of a tax credit.

3                   (4) Conducting oversight or substantial administrative functions for a tax  
4                   incentive when the public purpose associated with the tax incentive is within the core  
5                   mission of the agency.

6                   F. The Department of Revenue shall develop a format for reports required  
7                   by this Section similar to the format used for reporting information contained in the  
8                   annual tax exemption budget provided for in R.S. 47:1517. The format shall be  
9                   made available to all state agencies for use in preparation of their reports pursuant  
10                  to the provisions of this Section.

11                  G. The House Committee on Ways and Means and the Senate Committee on  
12                  Revenue and Fiscal Affairs, referred to in this Subsection as "committees", shall  
13                  conduct hearings on the reports every odd-numbered year, to be concluded thirty  
14                  days before the beginning of the Regular Session of the Legislature of Louisiana.  
15                  The committees shall analyze and consider tax incentives that have caused revenue  
16                  loss to the state in any one of the three previous fiscal years. From time to time, the  
17                  committees may report to the legislature findings or recommendations developed as  
18                  a result of the hearings.

19                  H. This Section shall not apply to programs which have a sunset date on or  
20                  before July 1, 2009.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_