

Existing law requires the Dept. of Revenue (DOR) to annually prepare a tax exemption budget which includes state revenue loss for the preceding three years caused by each tax exemption, deduction, exclusion, and credit authorized by law. Further requires the legislative auditor's office to conduct performance audits of state agency programs in order to evaluate the impact, efficiency, and cost-effectiveness of programs and to identify programs that are vital and in the best interests of the citizens of La.

New law requires, in order for the legislature and the legislative auditor's office to get accurate and complete information regarding how much tax credits and rebates cost the state each year, no later than March 1 of each year, each state agency which administers a tax credit or tax rebate, (tax incentives), to prepare and submit a report to the legislature regarding the tax incentive the agency administers. The report shall include an assessment of each tax incentive based on the following criteria:

- (1) Whether or not each tax incentive has been successful in meeting the purpose for which it was enacted.
- (2) Whether or not the state receives a positive return on investment from the business or industry for which the tax incentive is intended to benefit.
- (3) Unintended or inadvertent effects, benefits, or harm caused by each tax incentive.

New law requires DOR to develop a format for such reports similar to the format used in reporting the annual tax exemption budget to be made available to and used by all state agencies and offices in preparation of the report required by new law.

New law requires the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs, hereinafter "committees", to conduct hearings on the reports every odd-numbered year, to be concluded 30 days before the beginning of the regular session of the legislature. Further requires the committees to analyze and consider tax incentives which caused revenue loss to the state and authorizes the committees to report their findings or recommendations developed as a result of the hearings to the legislature.

Effective August 1, 2013.

(Adds R.S. 47:1517.1)