

2016 Regular Session

HOUSE BILL NO. 1067

BY REPRESENTATIVE SCHRODER

TAX EXEMPTIONS: Requires the appropriation of certain tax expenditures beginning in Fiscal Year 2017-2018

1 AN ACT

2 To amend and reenact R.S. 39:51(E) and (F) and to enact R.S. 39:34(F) and 51(G) and R.S.
3 47:1675(K), relative to certain tax expenditure programs; to require the appropriation
4 of certain income tax expenditure programs under certain circumstances; to provide
5 for definitions; to provide for the appropriation of certain tax expenditures in the
6 General Appropriation Bill and the executive budget; to provide for certain
7 limitations; to provide for applicability; to provide for an effective date; and to
8 provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 39:51(E) and (F) are hereby amended and reenacted and R.S.
11 39:34(F) and 51(G) are hereby enacted to read as follows:

12 §34. Executive budget

13 * * *

14 F. Beginning in Fiscal Year 2017-2018, the executive budget shall contain
15 an appropriation for each income tax expenditure program administered by the state.
16 The amount for each income tax expenditure program shall be listed in the same
17 section of the executive budget as the budget recommendation of the agency that
18 grants or administers the tax exemption program. In this Section, "income tax
19 expenditure program" shall mean each income tax credit and each income tax rebate

1 authorized pursuant to Title 47 and Title 51 of the Louisiana Revised Statutes of
2 1950, as amended.

3 * * *

4 §51. General Appropriation Bill; other appropriation bills

5 * * *

6 E. Beginning in Fiscal Year 2017-2018, the General Appropriation Bill shall
7 contain appropriations for each income tax expenditure program. The appropriated
8 amount for each income tax expenditure program shall be listed in the same section
9 of the bill as the appropriations for each agency and its programs for the ordinary
10 operating expenses of the agency that grants or administers the income tax
11 expenditure program. In this Section, "income tax expenditure program" shall mean
12 each income tax credit and each income tax rebate authorized pursuant to Title 47
13 and Title 51 of the Louisiana Revised Statutes of 1950, as amended.

14 F. The Five Year Estimated Revenue Loss Chart from the most recent Tax
15 Exemption Budget prepared by the Department of Revenue shall be an appendix to
16 the General Appropriation Bill. The Joint Legislative Committee on the Budget shall
17 annually review and evaluate the Five Year Estimated Revenue Loss Chart.

18 F. G. Any appropriation bill in which a reduction in an appropriation is
19 authorized shall designate the reduction by placing parenthesis around the amount.

20 Section 2. R.S. 47:1675(K) is hereby enacted to read as follows:

21 §1675. General administrative provisions for credits against income and corporation
22 franchise tax; limitations on tax credits and rebates

23 * * *

24 K. Income tax credits and income tax rebates limited to appropriated amount.

25 The total amount of any income tax credit or income tax rebate granted by the
26 Department of Revenue, the Department of Economic Development, or any other
27 state agency which administers a tax credit or rebate shall not exceed the amount
28 appropriated for each income tax credit or rebate in the General Appropriation Bill
29 for each fiscal year. Any department administering the provisions of an income tax

1 credit or rebate shall by rule, promulgated in cooperation with the Department of
 2 Revenue and in accordance with the Administrative Procedure Act, establish the
 3 method of allocating available income tax credits and rebates including but not
 4 limited to a first-come, first-served system, reservation of tax credits and tax rebates
 5 for a specific time period, or other method which the department administering the
 6 provisions, in its discretion, may find beneficial to the program.

7 Section 2. Any incentive expenditure as defined in R.S. 39:2(15.1) in which a
 8 periodic program evaluation and a coterminous periodic program sunset are established prior
 9 to the commencement of the 2018 Regular Session of the Legislature shall not be subject to
 10 the appropriation requirement established pursuant to Section 1 of this Act. The program
 11 evaluation for these incentive expenditures shall be conducted not less than once every five
 12 years.

13 Section 3. This Act shall become effective upon signature by the governor or, if not
 14 signed by the governor, upon expiration of the time for bills to become law without signature
 15 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 16 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 17 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 1067 Original

2016 Regular Session

Schroder

Abstract: Requires certain tax expenditures to be appropriated and limits the amount of each tax credit and rebate to the appropriated amount.

Proposed law requires, beginning in FY 17-18, the executive budget and the General Appropriation Bill to have an appropriation for each income tax expenditure program in the same section of law as the department that grants or administers the program.

Proposed law defines "income tax expenditure program" as each income tax credit and each income tax rebate authorized pursuant to present law.

Proposed law limits, beginning in FY 17-18, the amount of each income tax credit or income tax rebate to the amount appropriated in the General Appropriation Bill for each fiscal year. Further requires the department administering the provisions of an income tax credit or income tax rebate to establish by rule, the method of allocating available income tax credits and rebates.

Proposed law provides that any incentive expenditure as defined in present law (R.S. 39:2(15.1)) in which a periodic program evaluation and a coterminous periodic program sunset are established prior to commencement of the 2018 R.S. shall not be subject to the appropriation requirement established pursuant to proposed law. Proposed law requires the program evaluation for these incentive expenditures to be conducted not less than once every five years.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 39:51(E) and (F); Adds R.S. 39:34(F) and 51(G) and R.S. 47:1675(K))