

Regular Session, 2013

HOUSE BILL NO. 712

BY REPRESENTATIVE KATRINA JACKSON

TAX CREDITS: Requires the secretary of the Dept. of Revenue to uniformly reduce the amount of tax credits in a year of a budget deficit

1 AN ACT

2 To enact R.S. 47:1524, relative to state revenue; to require the reduction of certain tax
3 expenditures under certain circumstances; to provide for an effective date; and to
4 provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:1524 is hereby enacted to read as follows:

7 §1524. Mandatory reduction of tax credits; budget deficit; maximum reduction

8 A. Beginning July 1, 2013, in the event a projected budget deficit exists in
9 accordance with the provisions of Article VII, Section 10(F) of the Constitution of
10 Louisiana and R.S. 39:75, the secretary of the Department of Revenue is hereby
11 authorized and directed to uniformly reduce the amount of all statutory income and
12 corporation franchise tax credits, excluding any constitutionally protected or
13 mandated tax credits, in a proportionate amount as provided in Subsection B of this
14 Section. The resulting reduction in state liability for the payment of tax credits will
15 allow more state revenues to be available for mitigation of budgetary effects caused
16 by the projected budget deficit.

17 B. (1) If the amount of the projected budget deficit is more than five hundred
18 million dollars but no more than seven hundred fifty million dollars, the reduction
19 shall be five percent.

1 (2) If the amount of the projected budget deficit is more than seven hundred
2 fifty million dollars but no more than one billion dollars, the reduction shall be ten
3 percent.

4 (3) If the amount of the projected budget deficit is more than one billion
5 dollars the reduction shall be fifteen percent.

6 Section 2. This Act shall become effective on July 1, 2013; if vetoed by the governor
7 and subsequently approved by the legislature, this Act shall become effective on July 1,
8 2013, or on the day following such approval by the legislature, whichever is later.

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)]

Katrina Jackson

HB No. 712

Abstract: Requires the secretary of the Dept. of Revenue to uniformly reduce the amount of income and corporation franchise tax credits, not to exceed 15%, in the event a budget deficit is projected.

Proposed law provides that beginning July 1, 2013, in the event a projected budget deficit exists in accordance with present constitution and present law, the secretary of the Dept. of Revenue is hereby authorized and directed to uniformly reduce the amount of all statutory income and corporation franchise tax credits, excluding any constitutionally protected or mandated tax credits, in a proportionate amount. The reduction in the total amount of state liability for the payment of tax credits and shall allow application of the monies realized to address the budget deficit.

Proposed law provides that the reductions shall occur as follows:

- (1) If the amount of the projected budget deficit is more than five hundred million dollars and no more than seven hundred fifty million dollars, the reduction shall be 5%.
- (2) If the amount of the projected budget deficit is more than seven hundred fifty million dollars and no more than one billion dollars, the reduction shall be 10%.
- (3) If the amount of the projected budget deficit is more than one billion dollars the reduction shall be 15%.

Effective July 1, 2013.

(Adds R.S. 47:1524)