

SENATE BILL NO. 222

BY SENATOR DONAHUE

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

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AN ACT

To enact R.S. 39:2(15.1) and (15.2) and 24.1, relative to budgetary procedures; to define incentive expenditures; to provide for an incentive expenditure forecast; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 39:2(15.1) and (15.2) and 24.1 are hereby enacted to read as follows:

§2. Definitions

As used in this Chapter, except where the context clearly requires otherwise, the words and expressions defined in this Section shall be held to have the meanings here given to them.

\* \* \*

**(15.1) "Incentive expenditures" means the reductions of and payments from current tax collections because of the following incentive benefit statutes:**

**(a) Atchafalaya Trace Heritage Area Development Zone (Part II of Chapter 26 of Title 25 of the Louisiana Revised Statutes of 1950, comprised of R.S. 25:1226 et seq.).**

**(b) Brownfields Investor Tax Credit (R.S. 47:6021).**

**(c) Cane River Heritage Tax Credit (R.S. 47:6026).**

**(d) Louisiana Community Economic Development Act (R.S. 47:6031).**

**(e) Ports of Louisiana Tax Credits (R.S. 47:6036).**

**(f) Motion Picture Investor Tax Credit (R.S. 47:6007).**

**(g) Research and Development Tax Credit (R.S. 47:6015).**

**(h) Digital Interactive Media and Software Act (R.S. 47:6022).**

**(i) Louisiana Motion Picture Incentive Act (Chapter 12 of Subtitle II of**

1 Title 47 of the Louisiana Revised Statutes of 1950, comprised of R.S. 47:1121 et  
2 seq.).

3 (j) Louisiana Capital Companies Tax Credit Program (Chapter 26 of  
4 Title 51 of the Louisiana Revised Statutes of 1950, comprised of R.S. 51:1921 et  
5 seq.).

6 (k) New Markets Tax Credit (R.S. 47:6016).

7 (l) University Research and Development Parks (R.S. 17:3389).

8 (m) Industrial Tax Equalization Program (Chapter 1 of Subtitle V of  
9 Title 47 of the Louisiana Revised Statutes of 1950, comprised of R.S. 47:3201  
10 through 3205).

11 (n) Exemptions for Manufacturing Establishments (Chapter 3 of Subtitle  
12 V of Title 47 of the Louisiana Revised Statutes of 1950, comprised of R.S.  
13 47:4301 through 4306).

14 (o) Louisiana Enterprise Zone Act (Chapter 21 of Title 51 of the  
15 Louisiana Revised Statutes of 1950, comprised of R.S. 51:1781 et seq.).

16 (p) Sound Recording Investor Tax Credit (R.S. 47:6023).

17 (q) Urban Revitalization Tax Incentive Program (Chapter 22 of Title 51  
18 of the Louisiana Revised Statutes of 1950, comprised of R.S. 51:1801).

19 (r) Technology Commercialization Credit and Jobs Program (Part VI of  
20 Chapter 39 of Title 51 of the Louisiana Revised Statutes of 1950, comprised of  
21 R.S. 51:2351 et seq.).

22 (s) Angel Investor Tax Credit Program (R.S. 47:6020).

23 (t) Musical and Theatrical Productions Income Tax Credit (R.S.  
24 47:6034).

25 (u) Retention and Modernization Act (Chapter 39-C of Title 51 of the  
26 Louisiana Revised Statutes of 1950, comprised of R.S. 51:2399.1 through  
27 2399.6).

28 (v) Tax Credit for Green Jobs Industries (R.S. 47:6037).

29 (w) Louisiana Quality Jobs Program Act (Chapter 42 of Title 51 of the  
30 Louisiana Revised Statutes of 1950, comprised of R.S. 51:2451 et seq.).

1                   (x) Corporate Headquarters Relocation Program (Chapter 54 of Title 51  
 2 of the Louisiana Revised Statutes of 1950, comprised of R.S. 51:3111 through  
 3 3115).

4                   (y) Competitive Projects Payroll Incentive Program (R.S. 51:3121).

5                   (z) Procurement Processing Company Rebate Program (R.S. 47:6351).

6                   (aa) Tax Credit for Rehabilitation of Historic Structures (R.S. 47:6019).

7                   (bb) Rebates for Donations to School Tuition Organizations (R.S.  
 8 47:6301).

9                   (15.2) "Current tax collections" means the current collections of the  
 10 taxes imposed by Subtitle II of Title 47 of the Louisiana Revised Statutes of  
 11 1950.

12   \*       \*       \*

13                   §24.1. Incentive expenditure forecast

14                   A. The Revenue Estimating Conference shall establish a forecast of  
 15 incentive expenditures for each fiscal year, beginning for Fiscal Year 2016-2017,  
 16 hereinafter referred to as the "incentive expenditure forecast", which shall be  
 17 derived and revised only as provided in this Section. The incentive expenditure  
 18 forecast shall include a forecast of the amount of payments from and reductions  
 19 of current tax collections to be granted by each of the incentive benefit statutes  
 20 listed in R.S. 39:2(15.1) for the forecasted year. The forecast shall be an amount  
 21 that is no less than the estimated amount of payments from and reductions of  
 22 current tax collections which will be made by each of the incentive benefit  
 23 statutes listed in R.S. 39:2(15.1) for the forecasted fiscal year.

24                   B. The incentive expenditure forecast shall be derived and based upon  
 25 the assumption that the current law and current administrative procedures will  
 26 remain in effect for the forecast period.

27                   C. The department which administers the incentive benefit shall notify  
 28 the conference when the incentive expenditure forecast is not sufficient to meet  
 29 the requirements of current law or current administrative procedures. The  
 30 conference may revise the forecast as necessary.

1           **D. The incentive expenditure forecast shall be a separate forecast and**  
2           **shall not be included in the estimates of the money to be received by the state**  
3           **general fund and dedicated funds for the current and next fiscal years which are**  
4           **available for appropriation.**

5           **E.(1) The Revenue Estimating Conference may utilize whatever staff,**  
6           **information, and technical expertise which it may determine is required to**  
7           **derive or revise the incentive expenditure forecast. The conference may request**  
8           **and shall receive from all public officers, departments, agencies, and authorities**  
9           **of the state such assistance and data as will enable the conference to fulfill its**  
10           **duties.**

11           **(2) Each agency of the state, including the Department of Revenue, the**  
12           **Department of Economic Development, and the Department of Culture,**  
13           **Recreation and Tourism, which administers an incentive expenditure program**  
14           **shall furnish the Revenue Estimating Conference, legislative fiscal office, and**  
15           **the division of administration data reflecting the program's operations and shall**  
16           **prepare a report setting forth the dollar amount of incentive expenditures for**  
17           **each incentive benefit program administered by the respective department,**  
18           **agency, or authority. In order for such information to be included in the**  
19           **incentive expenditure forecast for the next fiscal year, such reports shall include**  
20           **data beginning July first of each fiscal year through the date of the report and**  
21           **the report shall be due monthly. An initial report detailing historical**  
22           **participation and applicable dollar amounts of incentive expenditures shall also**  
23           **be provided. The initial historical report and subsequent monthly reports shall**  
24           **be developed in consultation with the Revenue Estimating Conference, the**  
25           **legislative fiscal office, and the division of administration.**

26           **(3) In addition to the data required to be submitted in Paragraph (2) of**  
27           **this Subsection, each agency of the state, including the Department of Revenue,**  
28           **the Department of Economic Development, and the Department of Culture,**  
29           **Recreation and Tourism, which administers an incentive expenditure as defined**  
30           **in R.S. 39:2(15.1) shall submit to the Revenue Estimating Conference, the**

1 legislative fiscal office, and the division of administration, upon request, an  
 2 estimate of incentive expenditures for each of the tax benefit statutes listed in  
 3 R.S. 39:2(15.1) administered by the respective agency. Such estimates shall be  
 4 an amount that is no less than the estimated amount of reductions of and  
 5 payments to be made from current tax collections for each incentive  
 6 expenditure for the current fiscal year. The participants of the conference shall  
 7 work in conjunction with the respective agency to finalize all estimates for  
 8 presentation to the conference.

9 F. The incentive expenditure forecast shall be determined by the  
 10 Revenue Estimating Conference through a process to be decided by the  
 11 conference except that any final action establishing an incentive expenditure  
 12 forecast shall be taken pursuant only to a unanimous decision by all of the  
 13 conference principals.

\* \* \*

15 Section 2. This Act shall become effective on July 1, 2015; if vetoed by the governor  
 16 and subsequently approved by the legislature, this Act shall become effective on July 1,  
 17 2015, or on the day following such approval by the legislature, whichever is later.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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GOVERNOR OF THE STATE OF LOUISIANA

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