
DIGEST

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HB 795 Reengrossed

2016 Regular Session

Stokes

Abstract: Requires certain organization of the tax exemptions in the Tax Exemption Budget.

Present law requires the Dept. of Revenue to annually prepare a tax exemption budget detailing the prior tax years tax exemptions, including whether each exemption is meeting its purpose, whether the purpose is being achieved in a fiscally effective manner, and whether there are any inadvertent consequences caused by the tax exemption.

Proposed law retains present law and additionally requires the tax exemptions to be organized in a schedule as follows:

- (1) Agricultural/Rural
- (2) Business Environment, including the following:
 - (a) Inventory Tax Ad Valorem
 - (b) Business Utilities Sales Tax
 - (c) Manufacturing Machinery and Equipment
 - (d) Direct Inputs and Consumables
- (3) Corporate Income Tax Formula
- (4) Dealers and Vendors Compensation and Discounts
- (5) Educational Breaks for Educational Institutions
- (6) Educational Breaks for Individuals
- (7) Incentives
- (8) Louisiana Constitutional Mandates
- (9) Non-itemized Sales and Use Tax Exclusions and Exemptions

(10) Normal Tax Structure, including the following:

- (a) Federal Mandatory
- (b) Intergovernment
- (c) Interstate Commerce
- (d) Net Operating Loss
- (e) Normal Severance

(11) Personal Income Tax Formula

(12) Retirement, Disability, and Military

Effective July 1, 2016.

(Amends R.S. 47:1517(B))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Clarify that the categories in proposed law are in addition to, and not in place of, the current organization in the tax exemption budget.
2. Make technical changes, including changes to category terminology in proposed law.