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DIGEST

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SB 222 Engrossed

2015 Regular Session

Donahue

Present law provides for the definitions of words used in Title 39 of the Louisiana Revised Statutes. Proposed law would retain present law and add the definition of "incentive expenditures" to mean the reductions of and payments from current tax collections because of the following incentive benefit statutes:

- (1) Atchafalaya Trace Heritage Area Development Zone Tax Exemption (Part II of Chapter 26 of Title 25 of the La. Revised Statutes, comprised of R.S. 25:1226 et seq.).
- (2) Brownfields Investor Tax Credit (R.S. 47:6021).
- (3) Cane River Heritage Tax Credit (R.S. 47:6026).
- (4) Louisiana Community Economic Development Act (R.S. 47:6031).
- (5) Ports of Louisiana Tax Credits (R.S. 47:6036).
- (6) Motion Picture Investor Tax Credit (R.S. 47:6007).
- (7) Research and Development Tax Credit (R.S. 47:6015).
- (8) Digital Interactive Media and Software Tax Credit (R.S. 47:6022).
- (9) Louisiana Motion Picture Incentive Act (Chapter 12 of Subtitle II of Title 47 of the La. Revised Statutes of 1950, comprised of R.S. 47:1121 et seq.).
- (10) Louisiana Capital Companies Tax Credit Program (Chapter 26 of Title 51 of the La. Revised Statutes of 1950, comprised of R.S. 51:1921 et seq.).
- (11) New Markets Tax Credit (R.S. 47:6016).
- (12) University Research and Development Parks (R.S. 17:3389).
- (13) Industrial Tax Equalization Program (Chapter 1 of Subtitle V of Title 47 of the La. Revised Statutes of 1950, comprised of R.S. 47:3201 through 3205).
- (14) Exemptions for Manufacturing Establishments (Chapter 3 of Subtitle V of Title 47 of the La. Revised Statutes of 1950, comprised of R.S. 47:4301 through 4306).
- (15) Enterprise Zones (Chapter 21 of Title 51 of the La. Revised Statutes of 1950, comprised of R.S. 51:1781 et seq.).
- (16) Sound Recording Investor Tax Credit (R.S. 47:6023).
- (17) Urban Revitalization Tax Incentive Program (Chapter 22 of Title 51 of the La. Revised Statutes of 1950, comprised of R.S. 51:1801).
- (18) Technology Commercialization Credit and Jobs Program (Part VI of Chapter 22 of Title 51 of the La. Revised Statutes of 1950, comprised of R.S. 51:2351 et seq.).
- (19) Angel Investor Tax Credit Program (R.S. 47:6020).

- (20) Musical and Theatrical Productions Income Tax Credit (R.S. 47:6034).
- (21) Retention and Modernization Act (Chapter 39-C of Title 51 of the La. Revised Statutes of 1950, comprised of R.S. 51:2399.1 through 2399.6).
- (22) Green Jobs Industries Tax Credit (R.S. 47:6037).
- (23) Louisiana Quality Jobs Act (Chapter 42 of Title 51 of the Louisiana Revised Statutes of 1950, comprised of R.S. 51:2451 et seq.).
- (24) Corporate Headquarters Relocation Program (Chapter 54 of Title 51 of the La. Revised Statutes of 1950, comprised of R.S. 51:3111 through 3115).
- (25) Competitive Projects Payroll Incentive Program (R.S. 51:3121).
- (26) Procurement Processing Company Rebate Program (R.S. 47:6351).
- (27) Rehabilitation of Historic Structures Tax Credit (R.S. 47:6019).
- (28) Rebates for Donations to School Tuition Organizations (R.S. 47:6301).

Proposed law also defines "current tax collections" to mean the current collections of the taxes imposed by Subtitle II of Title 47 of the La. Revised Statutes of 1950.

Proposed law requires the Revenue Estimating Conference (REC) to establish a forecast of incentive expenditures for each fiscal year, beginning for fiscal year 2016-2017, which shall include a forecast of the amount of payments from and reductions of current tax collections to be granted by each of the incentive benefit statutes listed in the definition of incentive benefit for the forecasted year. Provides that the forecast shall be an amount that is no less than the estimated amount of payments from and reductions of current tax collections which will be made by each of the incentive benefit statutes.

Proposed law provided that the incentive expenditure forecast shall be derived and based upon the assumption that the current law and current administrative procedures will remain in effect for the forecast period. Provides that the agency which administers the incentive benefit shall notify the conference when the incentive expenditure forecast is not sufficient to meet the requirements of current law or current administrative procedures. The conference may revise the forecast as necessary. Provides that the incentive expenditure forecast shall be a separate forecast and shall not be included in the estimates of the money to be received by the state general fund and dedicated funds for the current and next fiscal years which are available for appropriation.

Proposed law provides for the information, and the timing of submission of the information, that agencies of the state are to provide in order for the REC to prepare an incentive expenditure forecast.

Proposed law provides that the incentive expenditure forecast shall be determined by the REC through a process to be decided by the conference except that any final action establishing an incentive expenditure forecast shall be taken only pursuant to a unanimous decision by all of the conference principals.

Effective July 1, 2015.

(Adds R.S. 39:2(15.1) and (15.2) and 24.1)

#### Summary of Amendments Adopted by Senate

##### Committee Amendments Proposed by Senate Committee on Finance to the original bill

1. Deletes provisions providing for incentive expenditures to be contained in the executive budget.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the engrossed bill:

1. Technical amendments.