

2016 Regular Session

HOUSE BILL NO. 795

BY REPRESENTATIVE STOKES

TAX EXEMPTIONS: Provides relative to the organization of the Tax Exemption Budget

1 AN ACT

2 To amend and reenact R.S. 47:1517(B), relative to the tax exemption budget; to require
3 certain organization of the tax exemptions; 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. 47:1517(B) is hereby amended and reenacted to read as follows:

7 §1517. Tax exemption budget

8 * * *

9 B.(1) The annual tax exemption budget shall include the following:

10 ~~(1)~~ (a) Each tax exemption, its statutory citation, and its purpose.

11 ~~(2)~~ (b) The revenue loss to the state caused by each tax exemption for the
12 three preceding years, the estimated revenue loss to the state caused by each tax
13 exemption for the current fiscal year, and the estimated revenue loss to the state
14 caused by each tax exemption for the ensuing fiscal year.

15 ~~(3)~~ (c) The estimated cost of administering and implementing each tax
16 exemption for the three preceding fiscal years, the current fiscal year, and the
17 ensuing fiscal year.

18 (2) The tax exemptions in the annual tax exemption budget shall also be
19 organized in an additional opening schedule as follows:

- 1 (a) Agricultural/Rural.
- 2 (b) Business Environment, including the following:
- 3 (i) Inventory Tax Ad Valorem.
- 4 (ii) Business Utilities Sales Tax.
- 5 (iii) Manufacturing Machinery and Equipment.
- 6 (iv) Direct Inputs and Consumables.
- 7 (c) Corporate Income Tax Formula.
- 8 (d) Dealers and Vendors Compensation and Discounts.
- 9 (e) Educational Breaks for Educational Institutions.
- 10 (f) Educational Breaks for Individuals.
- 11 (g) Incentives.
- 12 (h) Louisiana Constitutional Mandates.
- 13 (i) Non-itemized Sales and Use Tax Exclusions and Exemptions.
- 14 (j) Normal Tax Structure, including the following:
- 15 (i) Federal Mandatory.
- 16 (ii) Intergovernment.
- 17 (iii) Interstate Commerce.
- 18 (iv) Net Operating Loss.
- 19 (v) Normal Severance.
- 20 (k) Personal Income Tax Formula.
- 21 (l) Retirement, Disability, and Military.

* * *

23 Section 2. This Act shall become effective on July 1, 2016; if vetoed by the governor
24 and subsequently approved by the legislature, this Act shall become effective on July 1,
25 2016, 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)]

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.