

2017 Regular Session

HOUSE BILL NO. 477

BY REPRESENTATIVE HENSGENS

BUDGETARY CONTROLS: Provides for restrictions to the appropriation of state general fund

1 AN ACT

2 To amend and reenact R.S. 39:26(A)(2), 34(A), and 54(A)(1) and to enact R.S. 39:24(G) and  
3 Subpart T of Part II-A of Chapter 1 of Subtitle I of Title 39 of the Louisiana Revised  
4 Statutes of 1950, to be comprised of R.S. 39:100.156, and R.S. 47:6039, relative to  
5 state funds; to provide for restrictions on appropriations; to provide for the  
6 determination of an appropriation limit; to establish the Taxpayers Refund Trust as  
7 a special treasury fund; to provide for the sources and uses of monies in the fund; to  
8 provide for an income tax credit; to provide for an effective date; and to provide for  
9 related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 39:26(A)(2), 34(A), and 54(A)(1) are hereby amended and reenacted  
12 and R.S. 39:24(G) and Subpart T of Part II-A of Chapter 1 of Subtitle I of Title 39 of the  
13 Louisiana Revised Statutes of 1950, to be comprised of R.S. 39:100.156, are hereby enacted  
14 to read as follows:

15 §24. Official forecast; appropriation limit

16 \* \* \*

17 G.(1) Annually, by January first, the Revenue Estimating Conference shall  
18 determine an appropriation limit on the official forecast of state general fund for the  
19 next fiscal year. The appropriation limit shall not exceed the official forecast of state  
20 general fund for the current fiscal year times the average annual change in the three  
21 previous years of gross domestic product for the state, the percentage change in the

1        state's personal income, and the percentage change in the consumer price index, plus  
2        the annual average percentage change of the state population in the two previous  
3        years. Such determination of the appropriation limit for the next fiscal year may be  
4        adjusted if there is a change in the official forecast for the current fiscal year prior  
5        to July first.

6                (2) The treasurer shall deposit state general fund revenues in excess of the  
7        appropriation limit into the Taxpayers Refund Trust as provided in R.S. 39:100.156.

8                                \*           \*           \*

9        §26. Sessions

10                A. The Revenue Estimating Conference shall meet at least four times per  
11        year as follows:

12                                \*           \*           \*

13                (2) By January first the conference shall revise the official forecast for the  
14        ensuing fiscal year which shall be utilized in the preparation of the executive budget  
15        and shall determine an appropriation limit on the official forecast of state general  
16        fund for the ensuing fiscal year.

17                                \*           \*           \*

18        §34. Executive budget

19                A. The governor shall cause to be prepared an executive budget presenting  
20        a complete financial and programmatic plan for the ensuing fiscal year which shall  
21        include recommendations for appropriations from the state general fund and  
22        dedicated funds which shall not exceed the official forecast of the Revenue  
23        Estimating Conference. The growth in appropriations from the state general fund  
24        from the current fiscal year to the next fiscal year shall not exceed the appropriation  
25        limit as required in R.S. 39:24(G). Except as provided by R.S. 39:75(E), the  
26        executive budget shall not include recommendations for appropriations from any  
27        fund in excess of the official forecast of money available for appropriation from that  
28        fund.

29                                \*           \*           \*

## §54. Limitations on appropriations

A.(1) Appropriations by the legislature from the state general fund and dedicated funds for any fiscal year shall not exceed the official forecast in effect at the time the appropriations are made. The growth in appropriations from the state general fund from the current fiscal year to the next fiscal year shall not exceed the appropriation limit as determined in R.S. 39:24(G). Except as otherwise provided by R.S. 39:75(E), appropriations by the legislature from any fund shall not exceed the official forecast of money available for appropriation from that fund in effect at the time the appropriations are made.

\* \* \*

SUBPART T. TAXPAYERS REFUND TRUST

### §100.156. Taxpayers Refund Trust

A. The Taxpayers Refund Trust is hereby established in the state treasury as  
a special fund, hereinafter referred to as the "trust".

B. Out of the funds remaining in the Bond Security and Redemption Fund after a sufficient amount is allocated from that fund to pay all obligations secured by the full faith and credit of the state which become due and payable within any fiscal year as required by Article VII, Section 9(B) of the Constitution of Louisiana, the treasurer shall deposit in and credit to the trust an amount of state general fund revenue in excess of the appropriation limit as required in R.S. 39:24(G).

C. The monies in the trust shall be invested in the same manner as monies in the state general fund and all interest earned on the investment of the trust shall be deposited in and credited to the trust.

D. Appropriation from the trust shall only be made as follows:

(1) If a there is a disaster declared by the federal government, an amount not  
to exceed the state costs associated with such disaster.

(2) In any fiscal year in which the balance of the trust at the end of the previous fiscal year is in excess of two percent of the official forecast of state general fund for that fiscal year, an amount equal to the balance of the trust shall be available

1 for the purpose of reimbursing taxpayers for their tax liabilities. as provided in R.S.  
2 47:6039.

3 Section 2. R.S. 47:6039 is hereby enacted to read as follows:

4 §6039. Income tax credit from the Taxpayers Refund Trust

5 A. In addition to any other income tax credits authorized by law, a taxpayer  
6 required to file a Louisiana tax return may claim an additional tax credit against the  
7 tax payable on net income in the event the balance of the Taxpayers Refund Trust  
8 at the end of the previous fiscal year is in excess of two percent of the official  
9 forecast of state general fund for that fiscal year. The tax credit authorized by this  
10 Section shall be paid from the balance of the trust available for the purpose of  
11 reimbursing taxpayers for their tax liabilities.

12 B. All claims on the credit shall be submitted before May fifteenth of the  
13 year in which money from the Taxpayers Refund Trust is available for payment of  
14 credits. The amount of each tax credit claimed by a taxpayer shall be an amount  
15 proportionally equal to the total number of taxpayers claiming the credit for that  
16 year.

17 C. In any year in which credits are used to reimburse taxpayers for their  
18 liabilities according to this Section, the secretary of the Department of Revenue shall  
19 provide the treasurer with a determination of the amount of credits claimed. The  
20 treasurer shall deposit into the state general fund out of the Taxpayers Refund Trust  
21 an amount equal to the determination of the credits claimed for that year.

22 D. The secretary of the Department of Revenue may promulgate rules and  
23 regulations in accordance with the provisions of the Administrative Procedures Act  
24 as are necessary to carry out the provisions of this Section.

25 Section 3. This Act shall take effect and become operative if and when the  
26 proposed amendment of Article VII of the Constitution of Louisiana contained in the  
27 Act which originated as House Bill No. \_\_\_\_\_ of this 2017 Regular Session of the  
28 Legislature is adopted at a statewide election and becomes effective.

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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)]

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HB 477 Original

2017 Regular Session

Hensgens

**Abstract:** Requires the annual establishment of an appropriation limit and restricts appropriations to that amount. Establishes the Taxpayers Refund Trust and deposits into the fund an amount of state general fund over the appropriation limit. Provides for an income tax credit when the balance of the fund reaches a certain amount.

Present law establishes the Revenue Estimating Conference and requires the conference to prepare and revise estimates of money received by the state. The most recently adopted estimate of money received is the official forecast.

Proposed law requires the Revenue Estimating Conference to annually determine an appropriation limit of state general fund for the next fiscal year. The limit is a 3-year average of the change in gross domestic product, personal income, and the consumer price index plus the population change in the previous 2 years.

Present law provides for certain limits on the appropriation of state general fund, including that the appropriation does not exceed the official forecast.

Proposed law further limits the appropriation of state general fund to the appropriation limit established in the proposed law.

Present law requires the governor to submit to the legislature a recommendation of appropriations for the next fiscal year that does not exceed the official forecast.

Proposed law further limits the appropriations recommended to the legislature by the governor to the appropriation limit established in the proposed law.

Proposed law creates the Taxpayers Refund Trust as a special treasury fund and requires the treasurer to deposit into the fund state general fund revenues in excess of the appropriation limit.

Further provides that appropriation from the fund shall be made as follows:

- (1) If there is a declared disaster by the federal government, an amount not to exceed the state costs associated with such disaster.
- (2) In any fiscal year in which the balance of the fund at the beginning of the previous fiscal year is in excess of 2% of the official forecast of state general fund for that fiscal year, an amount equal to the balance of the fund for the purpose of reimbursing taxpayers for their tax liabilities.

Proposed law provides that a taxpayer required to file a resident Louisiana tax return may claim a tax credit in the event the balance of the Taxpayers Refund Trust at the end of the fiscal year is in excess of 2% of the official forecast of state general fund. Further requires the taxpayer to claim the credit by May 15 of the year in which the balance of the fund is available. The amount of each tax credit claimed by a tax payer shall be an amount proportionally equal to the total number of taxpayers claiming the credit for that year.

Proposed law requires the secretary of the Dept. of Revenue to provide the treasurer with a determination of the amount of credits taken. The treasurer is then required to deposit into

the state general fund out of the Taxpayers Refund Trust an amount equal to the determination of the credits taken.

Effective if and when the proposed amendment of Article 7 of the Constitution of La. contained in the Act which originated as House Bill No. \_\_\_\_\_ of this 2017 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 39:26(A)(2), 34(A), and 54(A)(1); Adds R.S. 39:24(G) and 100.156, and R.S. 47:6039)