

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 368** HLS 18RS 580

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 15, 2018 4:29 PM	Author: STOKES
Dept./Agy.: Tax Commission	Analyst: Benjamin Vincent
Subject: Statewide Ad Valorem Exemption Audit Program	

TAX COMMISSION, STATE OR SEE FISC NOTE SD RV Page 1 of 1
 Authorizes the La. Tax Commission to establish a statewide ad valorem property tax exemption audit program

Proposed law authorizes the LA Tax Commission (LTC) to establish a statewide ad valorem property tax exemption audit program, to impose a fee of 10% of the taxes, penalties, and interest that may be found to be due, and to hire contractors on a contingency fee basis to assist in the audit program.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW					
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW					
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW					
Annual Total						

EXPENDITURE EXPLANATION

Proposed law authorizes LTC to employ any agents, assistants, auditors, clerks, inspectors, investigators, or other experts in support of the audit program using contingency fee contracts.

The total fees paid pursuant to these contingency contracts must not exceed the fees collected under the audit program, which are to be deposited into the Tax Commission Expense Fund, and are assumed to directly fund expenditures under this program. The magnitude of expenditures related to the audit program is unknown at this time.

REVENUE EXPLANATION

Proposed law authorizes the establishment of a statewide audit program for ad valorem property tax exemptions, and authorizes LTC to impose a fee of 10% of the total amount of taxes, penalties, and interest determined to be due and owed by a taxpayer through the audit program. The fees are to be remitted into the Tax Commission Expense Fund.

To the extent that audits determine that additional taxes, penalties, and interest are owed, Local Funds will increase due to enhanced enforcement and compliance, and the LA Tax Commission Expense Fund will increase due to the authorized 10% fee. The magnitude of the revenue impacts is unknown at this time.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Gregory V. Albrecht
Gregory V. Albrecht
Chief Economist