



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 607** HLS 19RS 1192

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 19, 2019	5:07 PM	Author: FOIL
Dept./Agy.: Revenue		
Subject: Public-Private Infrastructure Investment Program		Analyst: Greg Albrecht

TAX CREDITS

EG -\$55,000,000 GF RV See Note

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Provide for the public-private partnership investment program and authorizes the issuance of tax credits

Proposed law provides tax credits to fund a public-private partnership office in Baton rouge to prepare infrastructure projects in Louisiana for public-private investment. The Department of Revenue can grant up to \$55 million in tax credits to finance the program. The credits can be applied against any state tax liability, and can be claimed in each of the years 2025 - 2030, at a rate of one-sixth of their value each year, or be sold back to the state.

Effective upon governor's signature.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The Dept. of Revenue would incur one-time IT staff-time costs to incorporate these new credits into the tax processing system. Since the credits can not be claimed (or presumably sold back to the state) until 2025, material costs might be incurred until some time in the next few years.

REVENUE EXPLANATION

The tax credits granted by the program can first be applied against state tax liabilities on January 1, 2025, and each January 1 through 2030 at a rate of one-sixth the total amount granted. The simple exposure to the state fisc is \$9.167 million per year for six years, FY25 - FY30, totaling \$55 million. This entire period is outside the fiscal note horizon, and even if credits are granted within the note horizon, it is assumed they can not be realized against the state fisc, even if sold back to the state, any earlier than FY25. Actual credit costs in particular years may differ from this simple annual exposure since unused credits can be carried forward for use against tax liabilities in subsequent years, or can be sold back to the state.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

John D. Carpenter
Legislative Fiscal Officer