



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 592** HLS 11RS 998

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 5, 2011	4:38 PM	Author: ST. GERMAIN
Dept./Agy.: Revenue / Economic Development		
Subject: Atchafalaya Trace Heritage Area Development Zone		Analyst: Greg Albrecht

TAX EXEMPTIONS

OR -\$8,400 GF RV See Note

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Extends the period in which new applications for tax benefits pursuant to the Atchafalaya Trace Heritage Area Development Zone may be approved

Current law provides tax credits to businesses operating in the Atchafalaya Trace Heritage Area Development Zone (parishes of St. Mary, Iberia, St. Martin, St. Landry, Avoyelles, Pointe Coupee, Iberville, Assumption, Terrebonne, Lafayette, West Baton Rouge, Concordia, and East Baton Rouge). Available credits are a single \$1,500 for business operations and \$1,500 per each new employee hired. Credits are nonrefundable but have a ten-year carry-forward for unused portions. No new applications for credits shall be approved after January 1, 2012.

Proposed law extends the application deadline for two years until January 1, 2014.

EXPENDITURES	2011-12	2012-13	2013-14	2014-15	2015-16	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	2011-12	2012-13	2013-14	2014-15	2015-16	5 -YEAR TOTAL
State Gen. Fd.	\$0	(\$8,400)	(\$8,400)	\$0	\$0	(\$16,800)
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	(\$8,400)	(\$8,400)	\$0	\$0	(\$16,800)

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

Since current law allows applications for tax credits to be approved through calendar year 2011, the extension provided by this bill has no effect on FY12. Tax credits approved in 2012 and 2013 under this bill would be new unanticipated credits reducing revenue in FY13 and FY14, and in subsequent years to the extent carry-forward provisions are utilized.

The tax credits realized through the program are relatively small. According to the Department of Revenue, tax credits realized against both corporate and individual tax liabilities have totaled \$202,000 since FY06 through FY11 to date, with most of that effect occurring in FY06 (\$160,000). Since then annual credit realizations have been \$1,800 in FY07, \$9,200 in FY08, \$8,300 in FY09, \$7,000 in FY10, and \$15,600 in FY11 to date. Average annual credit realizations for those years have been \$8,400, and this average is used as an estimate of the revenue losses likely in FY13 and FY14 with this bill’s extension.

Senate

Dual Referral Rules

House

☐ 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

☐ 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}

☐ 6.8(F)2 >= \$100,000 Annual SGF Cost {H&S}

☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

H. Gordon Monk
Legislative Fiscal Officer