DIGEST

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Michael Jackson HB No. 491

Abstract: Requires the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs to analyze the tax exemption budget, with specific consideration of tax exemptions yielding state revenue losses in excess of $10 million in any one year.

Present law requires the Dept. of Revenue to prepare and submit to the governor and the legislature a tax exemption budget no later than March 1 of each year. The tax exemption budget shall include the following:

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

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

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

(4) An assessment of each tax exemption with respect to success in meeting the purpose for which it was enacted, any unintended or inadvertent effects, whether each tax exemption simplifies or complicates the state tax statutes.

Present law defines "tax exemptions" for purposes of present law to mean those revenue losses attributable to provisions of the state tax statutes or rules promulgated pursuant to such statutes, which allow a special exclusion, exemption, or deduction from gross income or sales or which provide a special credit, a preferential rate of tax, or a deferral of tax liability.

Proposed law retains present law and requires the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs, hereinafter "committees", to conduct hearings on the tax exemption budget every odd-numbered year. The hearings shall be concluded 30 days before the beginning of the regular session of the legislature. Further requires the committees to analyze and consider tax exemptions which have caused revenue loss to the state of $10 million or more in any one of the last three fiscal years. The committees may report to the legislature findings or recommendations developed as a result of the hearings.

(Adds R.S. 47:1517(F))