



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 159** SLS 11RS 360
Bill Text Version: **ENGROSSED**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: May 28, 2011 9:40 AM	Author: APPEL
Dept./Agy.: Economic Development / Revenue	
Subject: Port Investor Tax Credit Extended	Analyst: Greg Albrecht

TAX/TAXATION EG DECREASE GF RV See Note Page 1 of 1
Extends the Ports of Louisiana Investor tax credit. (gov sig)

Current law established the Port Investor Tax Credit (Act 474 of 2009), which grants transferable tax credits against income taxes equivalent to 5% per year of the total capital costs associated with qualifying port infrastructure projects, for a twenty-year period (essentially reimbursing total costs over 20 years). Unused tax credits can be carried forward for 10 years. Projects must be at least \$5 million in size and constitute industrial, warehousing, or port and harbor operations and cargo handling. Effective until January 1, 2015 and no tax credits shall be granted after that date.

Proposed law extends the termination date of the credit program for two years, until January 1, 2017.

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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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	\$0	\$0	DECREASE	DECREASE	\$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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

The Port Investor Tax Credit Program was enacted by Act 474 of 2009. The fiscal note on that bill discussed the various parameters of such a program and provided estimates of state revenue exposure in a low range from \$500,000 - \$750,000 per year and accumulating each year as projects qualify to a high range of \$2 million - \$3 million per year and accumulating each year.

According to the Department of Economic Development, program rules were promulgated in November 2010 but no applications for the program have been received to date. Under current law credits can be granted up to January 1, 2015. Thus, any projects that may be in process to apply and receive an allocation of credits by that date are not attributable to this bill. Only projects that receive credits between January 1, 2015 and January 1, 2017 would generate new tax credit exposure for the state, attributable to the extension in this bill. The bill may be keeping the program open for a specific project or projects, or for all projects in general. Regardless, the earliest that additional revenue exposure can occur is FY15.

Senate	Dual Referral Rules	House	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}	 H. Gordon Monk Legislative Fiscal Officer
		<input type="checkbox"/> 6.8(F)2 >= \$100,000 Annual SGF 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}	