# LEGISLATIVE FISCAL OFFICE
## Fiscal Note

Fiscal Note On: **HB 491** HLS 11RS 445
Bill Text Version: **ENROLLED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

**Date:** June 21, 2011 2:53 PM
**Author:** JACKSON, MICHAEL
**Dept./Agy.:** Revenue / Economic Development / Other Agencies
**Subject:** Tax Exemption Review
**Analyst:** Greg Albrecht

TAX/TAXATION EN NO IMPACT GF RV See Note 
Requires review of the tax exemption budget by legislative committees every odd-numbered year

Requires the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs to conduct hearings on the tax exemption budget every odd-numbered year. The committees are to analyze and consider tax exemptions which have caused at least $10 million of state revenue loss in any one of the last three fiscal years. The committees may report findings or recommendations to the legislature.

| **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 | $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**
There is no anticipated direct material effect on governmental expenditures as a result of this measure. Every other year the committees may have one more meeting beyond what they might normally have. Extra costs are likely to be minimal.

**REVENUE EXPLANATION**
The review called for in the bill is already in the purview of the committees, but is being formalized by the bill. The bill presumably intends for these reviews to include tax exemptions in the general sense of the word exemption, and not a narrow sense that would exclude tax policies commonly referred to as credits, deductions, rebates or any other word that might be used to denote an exemption. While a broad application may result in a large number of potential exemptions to review, the bill's requirement that any particular exemption in question have at a least a $10 million cost in a recent fiscal year will reduce the number of exemptions to be reviewed to a relatively small number. A casual estimate of the number to be reviewed might be 20 - 40 or less.

The bill does not change any exemptions or even require that a report of findings or recommendations be submitted to the legislature. It appears to be entirely educational in intent.

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

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**Legislative Fiscal Officer**