



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **SB 134** SLS 11RS 197  
Bill Text Version: **ENROLLED**  
Opp. Chamb. Action:  
  
Proposed Amd.:  
Sub. Bill For.:

<b>Date:</b> June 22, 2011 12:17 PM	<b>Author:</b> CLAITOR
<b>Dept./Agy.:</b> Economic Development / Revenue	
<b>Subject:</b> Technology Commercialization Program Extension	<b>Analyst:</b> Greg Albrecht

TAX/TAXATION EN DECREASE GF RV See Note Page 1 of 1  
Extends the Technology Commercialization Credit and Jobs Program from December 31, 2011 to December 31, 2017 and changes it from a refundable tax credit program to a "rebate" program. (7/1/11)  
Current law provides up to ten years of refundable tax credits of 40% of eligible expenditures and 6% of eligible payroll when expended on commercializing technology created by a Louisiana business and researched by a Louisiana university or college. Certain other specified tax relief provisions are denied participants in this program. No tax credits can be granted or earned after December 31, 2011.

Proposed law extends the expiration date for granting or earning program tax credits for six years, until December 31, 2017. A specified list of other benefits denied participants of this program is changed to a general prohibition of eligibility for other incentives. Requires the Economic Development Department to report annually on tax incentives it administers. Effective July 1, 2011.

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.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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.

REVENUE EXPLANATION

By extending for six years, until 12/31/17, the ability to grant or earn program benefits, more ventures will be allowed to participate and more expenditures and payroll to qualify for program benefits. Program costs will be greater than otherwise and may annually accumulate as more participation receives annual benefits (for up to ten years per location). So far, the program has had relatively small participation. Since the program was substantially revised in 2007, LED reports 8 participants, \$1.126 million of eligible expenditures (no job/payroll credits), and \$387,879 of tax credits awarded. The Department of Revenue reports tax credits realized from FY05 - FY11 to date of \$457,294 (\$317,332 of which occurred in FY10). Based on existing participation alone, the state’s annual revenue exposure is volatile but relatively small. However, should the number and/or size of participation increase significantly in the future, the state’s annual revenue losses could be higher than the existing program participation suggests is likely. The Department of Economic Development suggests additional annual costs of no more than \$500,000 per year after FY12 from program extension.

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 checked="" 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}	