

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

TAX CREDITS. Requires state agencies which administer tax credits to report certain information

DIGEST

Proposed law requires, no later than March 1 of each year, the secretary of each state agency or head of each state office which administers a tax credit or tax rebate (hereinafter collectively tax incentives), to prepare and submit a report to the legislature regarding the tax incentive the department or office administers. The report shall include an assessment of each tax incentive based on the following criteria:

1. Whether or not each tax incentive has been successful in meeting the purpose for which it was enacted.
2. Whether or not the state receives a positive return on investment from the business or industry for which the tax incentive is intended to benefit.
3. Unintended or inadvertent effects, benefits, or harm caused by each tax incentive.

Proposed law defines "state agency" as any office, department, board, commission, institution, or division within the executive branch of state government, which agency is required by law to administer the tax incentive. Administration of a tax incentive shall be evidenced by a legal requirement or authorization to undertake any of the following actions for purposes of administration of the tax incentive:

1. Promulgate rules or regulations; in cases where more than one agency has rulemaking authority, the report shall be prepared collaboratively and shall be approved by the Senate Committee on Revenue and Fiscal Affairs and the House Committee on Ways and Means meeting jointly prior to their adoption.
2. Eligibility or qualifications.
3. Agency contract with an entity for purposes of a tax incentive.
4. Oversight or substantial administrative functions for a tax incentive when the public purpose associated with the tax incentive is within the core mission of the agency.

Proposed law requires the Dept. of Revenue to develop a format similar to the format used in reporting the annual tax exemption budget required by present law to be made available to and used by all state agencies and offices in preparation of the report required by proposed law.

Proposed law requires the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs, hereinafter "committees", to conduct hearings on the reports every odd-numbered year, to be concluded 30 days before the beginning of the regular session of the legislature. Further requires the committees to analyze and consider tax incentives which caused revenue loss to the state and authorizes the committees to report its findings or recommendations developed as a result of the hearings to the legislature.

(Adds R.S. 47:1517.1)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Added requirement that the provisions of proposed law apply to tax rebates.
2. Added provisions for maintenance of confidentiality of taxpayer information.
3. Added definition of state agency.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the reengrossed bill

1. Requires the approval by the Senate Committee on Revenue and Fiscal Affairs and the House Committee on Ways and Means prior to the adoption of rules and regulations in cases where more than one agency has rulemaking authority.