

Proposed law would have required, 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 would have been required to include an assessment of each tax incentive based on the following criteria:

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

Proposed law would have defined "state agency" as any office, department, board, commission, institution, or division within the executive branch of state government required by law to administer the tax incentive. Administration of a tax incentive would have been evidenced by a legal requirement or authorization to undertake particular actions for purposes of administration of the tax incentive.

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

Proposed law would have required the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs 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 required the committees to analyze and consider tax incentives which caused revenue loss to the state and authorized the committees to report its findings or recommendations developed as a result of the hearings to the legislature.

(Proposed to add R.S. 47:1517.1)

VETO MESSAGE

"House Bill No. 1104 creates duplicative and burdensome reporting requirements for agencies administering tax incentives.

The Louisiana Department of Economic Development issues regular reports and analyses on its incentive programs. The Louisiana Department of Revenue creates a comprehensive Tax Exemption Budget which covers all tax incentives administered by state agencies every year. Furthermore, Act 365 of 2011 provides for a review of the Tax Exemption Budget by the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs every odd-numbered year.

For this reason, I have vetoed House Bill No. 1104 and hereby return it to the House of Representatives."