

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 150** SLS 17RS 320

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 6, 2017 3:11 PM	Author: CHABERT
Dept./Agy.: LA Dept. of Economic Development	Analyst: Zachary Rau
Subject: Ports of Louisiana Tax Credit Cap Increase	

TAX/TAXATION

EN NO IMPACT See Note

Page 1 of 1

Provides for the Ports of Louisiana tax credits. (gov sig)

Present law includes the State Bond Commission as part of the Ports of Louisiana Tax Credits approval process. Proposed law removes the State Bond Commission from the Ports of Louisiana Tax Credits approval process. Present law provides a \$3.60/ton credit rate and a \$1.8 M per taxpayer cap for the investor credit through June 30, 2018, and increases the per-ton rate to \$5 and per-taxpayer cap to \$2.5 M on July 1, 2018. Proposed law removes the rate and cap increases in present law, making the current cap and rates effective for the remainder of the program. Present law provides for the program to sunset on July 1, 2020. Proposed law extends the sunset by one year, to July 1, 2021. Present law requires the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs to determine if the program results in a net positive economic benefit to the state. Proposed law repeals the review requirement. Proposed law makes the calendar year prior to application for the credit the base year for cargo credits.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	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	2017-18	2018-19	2019-20	2020-21	2021-22	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. The LA Dept. of Economic Development (LED) does not report any increased expenditures associated with the revision of the Ports of Louisiana tax credits, as the department's administration of the credits would continue in its current form and would not require additional resources or personnel.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. The proposed legislation eliminates graduated per-project and per-ton credit rates outlined in present law, effectively making the current per-project and per-ton cap rates permanent through the end of the credit's life span. The five-year actuals (FYs 12-16) outlined in the Tax Exemption Budget prepared by the LA Dept. of Revenue show no claims of the credit. LED reports no certification of firms for the credit, though one application is pending certification.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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