SLS 10RS-268 ORIGINAL

Regular Session, 2010

SENATE BILL NO. 430

BY SENATOR DONAHUE

FUNDS/FUNDING. Authorizes the executive budget to contain a "permanent income tax cut" based upon some or all of the amount of recurring revenues which the Revenue Estimating Conference estimates will be actually received by the state in a fiscal year which are in excess of the amount estimated in its official forecast for the fiscal year. (7/1/10)

1	AN ACT
2	To amend and reenact R.S. 39:24(A) and to enact R.S. 39:34(E), relative to the executive
3	budget; to authorize the executive budget to contain a tax cut based upon some or all
4	of excess recurring revenues estimated by the Revenue Estimating Conference for
5	a fiscal year; and to provide for related matters.
6	Be it enacted by the Legislature of Louisiana:
7	Section 1. R.S. 39:24(A) is hereby amended and reenacted and R.S. 39:34(E) is
8	hereby enacted to read as follows:
9	§24. Official forecast
10	A.(1) The Revenue Estimating Conference shall establish an official forecast
11	for each fiscal year which shall be derived and revised only as provided in this Part.
12	Each such official forecast shall contain a designation of all money which is
13	nonrecurring. The conference shall designate all other money in each official forecast
14	as recurring.
15	(2) In its official forecast required to be made by the third Monday in
16	March which is to be utilized by the legislature in its adoption of a state budget
17	for the ensuing fiscal year pursuant to R.S. 39:26(A), the conference shall also

1 estimate the revenues designated as recurring which the conference estimates 2 will be actually received by the state in the current fiscal year which are in 3 excess of the amount estimated in its official forecast for the current fiscal year. Such amount shall be used to calculate "excess revenues" for purposes of R.S. 4 5 39:34(E). 6 7 §34. Executive budget 8 9 E. The executive budget may contain a permanent income tax cut for 10

E. The executive budget may contain a permanent income tax cut for individual and corporate taxpayers if the budget is for a regular session occurring in an even-numbered year based upon some or all of the amount of excess revenues determined by the Revenue Estimating Conference for the current fiscal year as provided for in R.S. 39:24(A)(2). If the executive budget is for a regular session occurring in an odd-numbered year, the budget may contain a reservation of some or all of such excess revenues to use in the ensuing fiscal year to offset the loss of collections caused by such tax cuts in such fiscal year.

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19 Section 2. The Act shall apply to executive budgets for fiscal years beginning July 20 1, 2010.

Section 3. This Act shall become effective on July 1, 2010; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on July 1, 2010, or on the day following such approval by the legislature, whichever is later.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Riley Boudreaux.

## DIGEST

<u>Proposed law</u> authorizes the executive budget to contain a "permanent income tax cut" for individual and corporate taxpayers based upon some or all of the amount of "excess revenues" determined by the Revenue Estimating Conference. Further requires the Revenue Estimating Conference to estimate "excess revenues" in its official forecast required to be made by the third Monday in March - that is, the recurring revenue which the conference estimates will be actually received by the state in the current fiscal year which are in excess

of the amount estimated in its official forecast for the current fiscal year.

If the executive budget is for a regular session occurring in an odd-numbered year, the budget may contain a reservation of some or all of such "excess revenues" to be used in the ensuing fiscal year to offset the loss of collections caused by such tax cuts in such fiscal year.

Effective July 1, 2010.

(Amends R.S. 39:24(A); adds R.S. 39:34(E))