

**Actions Affecting Major State Tax, License and Fee Estimates  
and Estimates of Net Available State General Fund Revenue**

2003 Regular Session

<b>Instrument</b>	<b>Description</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
<b>SESSION ACTIONS - REVENUE</b>							
<b>General Sales Tax</b>							
Act 141 Reg. Sess. HB 1621	Extends the expiration date (from June 30, 2003 to June 30, 2005) of a sales & use tax exclusion for purchases made by parochial and private elementary and secondary schools. Also allows certain nonprofit organizations to receive direct payment numbers for the remittance of sales & use tax. This provision has no fiscal impact. Effective July 1, 2003.		(\$570,000)	(\$570,000)			
Act 985 Reg. Sess. HB 2016	Dedicates taxes applicable to the sale of reclaimed water. The amounts dedicated are to be allocated to the Municipal Facilities Revolving Loan Fund (25%), the Coastal Resources Trust Fund (25%), and to the Department of Natural Resources (50%). The Department of Revenue is not currently aware of any sales of reclaimed water.		Minimal DECREASE	Minimal DECREASE	Minimal DECREASE	Minimal DECREASE	Minimal DECREASE
<b>Corporate Income and Franchise Tax</b>							
Act 1240 Reg. Sess. HB 892	Changes the motion picture investment tax credit to allow a greater share of total expenditures (100% rather than 85%) to be counted toward the required base investment threshold for determining the level of tax credit. This change will make it more likely that more projects will generate 15% tax credits rather than 10% tax credits. These credits accrue to LA investors with existing LA tax liabilities.  The bill makes various other changes to the motion picture tax credit, the Quality Jobs subsidy payment program, and the sales tax rebate component of the Enterprise Zone program. These changes are not seen as materially affecting the revenue costs of these programs beyond what is already expected. Effective July 1, 2003.		DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
<b>Severance Tax</b>							
Act 1 Reg. Sess. HB 1010	Establishes a comparable method for determining the natural gas severance tax rate as a result of the discontinuation of the Natural Gas Clearing House average gas price used to index the gas tax rate. The new gas price to be used in the indexing formula will be the New York Mercantile Exchange (NYMEX) Henry Hub settled price on the last trading day for each month, as reported in the Wall Street Journal. Effective upon governor's signature.		\$55,000,000 Adopted May 16, 2003	\$55,000,000	\$55,000,000	\$55,000,000	\$55,000,000
<b>Miscellaneous Receipts - Gasoline Inspection Fee</b>							
Act 139 Reg. Sess. HB 1533	Increases petroleum products testing fee from 1/32¢ per gallon to 4/32¢ per gallon, and expands the base of fuel products subject to the fee to include special fuels rather than just gasoline. Effective upon governor's signature.		\$3,525,000	\$3,525,000	\$3,525,000	\$3,525,000	\$3,525,000

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<b>Interest Earnings</b>							
Act 43 Reg. Sess. HB 1066	Raises the monthly sales tax remittance threshold that allows quarterly filing from \$100 per month to \$500 per month. This will reduce interest earnings on sales tax receipts by delaying the state's receipts of sales taxes. Effective July 1, 2003.		(\$56,000)	(\$56,000)	(\$56,000)	(\$56,000)	(\$56,000)
Act 560 Reg. Sess. SB 1099	Expands the Securities Lending Program in the Treasury, generating additional earnings from the State's investment portfolio. Effective upon governor's signature.		\$750,000	\$750,000	\$750,000	\$750,000	\$750,000
<b>Tobacco Settlement</b>							
Act 11 Reg. Sess. HB 1887	Specifies a calculation method to determine how much of the earnings of the Millenium Trust are to be retained by the Trust on the basis of projected inflation. Effective upon governor's signature for FY03 and thereafter.	\$24,800,000 Adopted May 16, 2003	\$31,500,000 Adopted May 16, 2003	\$31,500,000	\$31,500,000	\$31,500,000	\$31,500,000
<b>Total Adjustments To Major State Tax, License And Fee Estimates</b>		<b>\$0</b>	<b>\$3,649,000</b>	<b>\$3,649,000</b>	<b>\$4,219,000</b>	<b>\$4,219,000</b>	<b>\$4,219,000</b>
<b>SESSION ACTIONS - DEDICATIONS</b>							
<b>Severance Tax</b>							
Act 1 Reg. Sess. HB 1010	Parish severance tax allocation associated with the establishment of a comparable method for determining the natural gas severance tax rate discussed above.		\$4,700,000 Adopted May 16, 2003	\$4,700,000	\$4,700,000	\$4,700,000	\$4,700,000
<b>Tobacco Funds and LA Fund</b>							
Act 11 Reg. Sess. HB 1887	Tobacco Settlement earnings available for budgeting are dedicated to three subfunds (the Health Excellence Fund, the Education Excellence Fund, and the TOPS Fund) and the Louisiana Fund. Effective upon governor's signature for FY03 and thereafter.	\$24,800,000 Adopted May 16, 2003	\$31,500,000 Adopted May 16, 2003	\$31,500,000	\$31,500,000	\$31,500,000	\$31,500,000
<b>Racetrack Slot Machine Gaming</b>							
Act 352 Reg. Sess. SB 828	Adds two new dedications of existing state racetrack slot machine gaming receipts: (1) \$50,000 to the Southern University Urban Tourism and Marketing Program, and (2) \$50,000 to the Orleans Parish District Attorney's Office.		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000

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Act 1009 Reg. Sess. HB 88	Adds \$500,000 to the existing dedication of slot machine gaming receipts, from slot machines at live horseracing facilities, to the Rehabilitation for the Blind and Visually Impaired Fund.		\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
	Adds a new \$200,000 dedication from existing receipts from slot machines at live horseracing facilities, to the Beautification and Improvement of the New Orleans City Park Fund.		\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
	Effective January 1, 2004.						
<b>Miscellaneous Receipts - Gasoline Inspection Fee</b>							
Act 139 Reg. Sess. HB 1533	Increases petroleum products testing fee from 1/32¢ per gallon to 4/32¢ per gallon, and expands the base of fuel products subject to the fee to include special fuels rather than just gasoline. These monies are deposited into the Petroleum Products Fund to support the Weights and Measures Program within the Dept. of Agriculture and Forestry. Effective upon governor's signature.		\$3,525,000	\$3,525,000	\$3,525,000	\$3,525,000	\$3,525,000
<b>Total Adjustments To Dedications of Major State Tax, License, and Fee Estimates</b>		<b>\$0</b>	<b>\$4,325,000</b>	<b>\$4,325,000</b>	<b>\$4,325,000</b>	<b>\$4,325,000</b>	<b>\$4,325,000</b>
<b>TOTAL ADJUSTMENTS TO OFFICIAL NET AVAILABLE STATE GENERAL FUND-DIRECT REVENUE FORECAST</b>		<b>\$0</b>	<b>(\$676,000)</b>	<b>(\$676,000)</b>	<b>(\$106,000)</b>	<b>(\$106,000)</b>	<b>(\$106,000)</b>
<b>Fund Transfers</b>							
Act 560 Reg. Sess. SB 1099	Directs the state treasurer to transfer to the state general fund any unexpended and unobligated balance in the Teacher Preparation Loan Fund, as well as any amounts held in the treasury to the account of the Louisiana Employment Opportunity Loan Program. These funds were utilized to support the FY03 budget. Effective upon governor's signature.	\$220,751	From the Teacher Preparation Loan Fund				
		\$3,044	From the LA Employment Opportunity Loan Program				
	Directs the state treasurer to transfer to the state general fund any unexpended and unobligated balance in the Deficit Elimination/Capital Outlay Escrow Replenishment Fund. Effective July 1, 2003.		\$2,710,248				
	Directs the state treasurer to transfer to the state general fund any unexpended and unobligated balance in the Casino Gaming Proceeds Fund. Effective July 1, 2003.		\$1,541,919				
	Directs the state treasurer to transfer \$500,000 to the state general fund of the unexpended and unobligated balance in the Fraud Detection Fund at the end of FY03. Effective July 1, 2003.		\$500,000				
	Directs the state treasurer to transfer to the state general fund the unexpended and unobligated balance in the Louisiana Fire Marshall Fund, which balance is attributable to FY03. Effective July 1, 2003.		\$2,799,061				
<b>Total Fund Balance Transfers Required</b>		<b>\$223,795</b>	<b>\$7,551,228</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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	<b>OTHER ITEMS OF INTEREST</b>						
<b>Bossier Slot Machine Gaming Contingent Dedications</b>							
Act 1009 Reg. Sess. HB 88	Contingent upon recognition of slot machine gaming revenues from the Bossier Parish horse racing facility, two additional dedications of state receipts are created: \$750,000 to the Equine Health Studies Program Fund and, \$750,000 to the Southern University AgCenter Program Fund. Effective January 1, 2004.  Revenue from slot machine gaming at the live racing facility in Bossier Parish has yet to be recognized by the Revenue Estimating Conference.		<u>Dedications</u> \$750,000 \$750,000	<u>Dedications</u> \$750,000 \$750,000	<u>Dedications</u> \$750,000 \$750,000	<u>Dedications</u> \$750,000 \$750,000	<u>Dedications</u> \$750,000 \$750,000
<b>New Orleans Fairgrounds Slot Machine Gaming</b>							
Act 352 Reg. Sess. SB 828	Authorizes slot machine gaming at the Fairgrounds racetrack in New Orleans. Requires amendment of the land-based casino operating contract to provide that allowing this competing gaming in Orleans Parish does not constitute an Exclusivity Violation, and requires approval by the Joint Legislative Committee on the Budget. Local voter approval may also be required. When allowed, the Fairgrounds can phase-in slot machines: 300 in FY04, 400 in FY05, and 500 in FY06.  Potential state revenue receipts associated strictly with the slot gaming is shown at right. Estimates for budgeting purposes, possibly incorporating interaction with other gaming revenue sources, will be developed when gaming operations have begun.		\$1,400,000	\$3,600,000	\$4,600,000	\$4,600,000	\$4,600,000