

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

2011 Regular Session

Instrument	Description	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
SESSION ACTIONS - REVENUE							
Sales Tax - General							
Acts 385 / 387 Regular Session SB 254 HB 35	Exempts construction materials purchased by the Make It Right Foundation for residential construction from state & local sales tax. Effective July 1, 2012.			(\$112,000)	(\$112,000)		
Act 374 Regular Session HB 282	Exempts purchases and rentals by the For!Kids Foundation (golf events to raise money for children's service organizations) from state & local sales tax. Effective July 1, 2011.		(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)
Act 331 Regular Session SB 82	Exempts certain breastfeeding items from state sales tax. Effective October 1, 2011.		(\$75,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)
Act 372 Regular Session HB 247	Expands exemption for certain nonprofit events to allow certain ones with a for-profit financing component (targets the New Orleans Jazz and Heritage Festival. Effective October 1, 2011.		(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)
Act 379 Regular Session HB 508	Exempts from state sales tax purchases of the entire vehicle and modifications to it for persons with permanent orthopedic disabilities. Effective October 1, 2011 but retroactive to purchases made after January 1, 2011 and available to purchases made through June 30, 2013.		DECREASE	DECREASE	DECREASE		
Act 296 Regular Session HB 606	Expands the state sales tax exemption for purchases, leases, and repairs of certain radiation therapy equipment and software.		(\$80,000)	(\$38,000)	(\$11,000)	(\$11,000)	(\$11,000)
Corporate Income & Franchise Tax							
Act 359 Regular Session HB 456	Expands the Enterprize Zone Program to allow the residential portion of a defined transit-oriented development to be eligible for program benefits (sales tax rebates, job credits, investment credits).			(\$853,000)	(\$576,000)		
Act 410 Regular Session SB 72	Extends the 5%/6% Quality Jobs payroll subsidy program for six years from January 1, 2012 to January 1, 2018.			(\$500,000)	(\$3,000,000)	(\$8,000,000)	(\$14,000,000)

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Act 353 Regular Session HB 381	Expands the Quality Jobs Program by treating health coverage offered to employees with the same valuation as health coverage accepted by employees, if at least 50% of employees accept the coverage. Works to qualify more employees and their payroll into the program's payroll subsidies.		DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
Act 146 Regular Session SB 159	Extends the availability of the Port Investor Tax Credit, which reimburses port investment expenses 5% per year for 20 years. Currently effective until January 1, 2015, and extended by this bill for two years until January 1, 2017.					DECREASE	DECREASE
Act 56 Regular Session SB 187	Extends the availability of the Cane River Heritage Area Tax Credit, which provides \$1,500 per business and \$1,500 per employee. Currently effective until January 1, 2012, and extended by this bill for two years until January 1, 2014.			(\$2,700)	(\$2,700)		
Act 112 Regular Session HB 592	Extends the availability of the Atchafalaya Trace Heritage Area Development Zone Tax Credit, which provides \$1,500 per business and \$1,500 per employee. Currently effective until January 1, 2012, and extended by this bill for two years until January 1, 2014.			(\$8,400)	(\$8,400)		
Act 126 Regular Session SB 28	Extends the availability of the Apprenticeship Tax Credit, which provides \$1 per hour of employment per apprentice up to 1,000 hours per apprentice (\$1,000). Currently effective until January 1, 2011, and extended by this bill for four years until January 1, 2015.		(\$500,000)	(\$1,000,000)	(\$1,500,000)	(\$1,500,000)	(\$1,000,000)
Act 416 Regular Session SB 134	Extends the availability of the Technology Commercialization Tax Credit, which provides refundable credits for 40% of eligible expenditures and 6% of eligible payroll. Currently effective until December 31, 2011, and extended by this bill for six years until December 31, 2017.		(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)
Act 407 Regular Session SB 135	Modifies and extends the Research & Development Tax Credit program. Changes employment requirements to be eligible for certain levels of credit rate (effectively restricts credits for large firms) and extends availability of credits from December 31, 2013 for six years until December 31, 2019.		\$6,300,000	\$7,300,000	(\$10,000,000)	(\$34,500,000)	(\$41,700,000)
Act 381 Regular Session HB 632	Changes apportionment provisions for broadcasters from a viewer basis to a domiciled business customer basis. Effective for 2012 income tax year and the 2013 franchise tax year.			DECREASE To Legal Tax Base	DECREASE To Legal Tax Base	DECREASE To Legal Tax Base	DECREASE To Legal Tax Base

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Individual Income Tax							
Act 121 Regular Session SB 13	Increases the deduction for nonpublic school tuition costs by removing the 50% limitation, but retaining the \$5,000 per child maximum. Effective for tax years beginning January 2011.		(\$5,300,000)	(\$5,300,000)	(\$5,300,000)	(\$5,300,000)	(\$5,300,000)
Act 409 Regular Session SB 63	Extends the 25% tax credit for rehabilitation of historic commercial structures for four years, from January 1, 2012 to January 1, 2016.			(\$6,000,000)	(\$14,000,000)	(\$14,000,000)	(\$8,000,000)
Act 415 Regular Session SB 123	Modifies the Digital Media Tax Credit program to make credits refundable (currently nonrefundable) and to allow an optional direct redemption from the state at 85% of face value.			(\$800,000)	(\$1,000,000)	(\$1,500,000)	(\$1,600,000)
Act 412 Regular Session HB 348	Expands eligibility for tax credits available for rehabilitation of certain residential structures and raises the credit rate to 25% (from 10%, 15%, and 20%) and 50% for blighted properties (from 10%). Available through tax year 2016.			(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)
Act 392 Regular Session HB 319	Provides a tax credit up to \$1,000 for expenses of incorporating certain accessible and barrier-free design elements into home. Effective for tax years beginning 2012.			DECREASE	DECREASE	DECREASE	DECREASE
Act 414 Regular Session HB 597	Reopens the Angel Investor Tax Credit program. This version provides 35% tax nonrefundable but transferable tax credits to wealthy taxpayers for investments in businesses participating in the program. Total annual credits that can be awarded are \$5 million, and a total of \$20 million of credits can be awarded during this version of the program. Amounts that can be claimed are initially delayed and then spread evenly over five years. Effective upon governor signature and through July 1, 2015.				(\$1,000,000)	(\$2,000,000)	(\$3,000,000)

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Tobacco Tax							
Act 341 Regular Session SB 210	Exempts cigars and pipe tobacco sampled on premises during the International Premium Cigar and Pipe Retailers Association convention that may be held in New Orleans during FY15 and FY16.					(\$50,000)	(\$50,000)
	Total Adjustments To Major State Tax, License And Fee Estimates	\$0	(\$1,195,000)	(\$9,154,100)	(\$38,350,100)	(\$68,701,000)	(\$76,501,000)
	SESSION ACTIONS - DEDICATIONS						
State Highway Improvement Fund							
Act 390 Regular Session HB 238	Dedicates the remaining portion of vehicle license tax revenue that is not already dedicated to the Transportation Trust Fund or Highway Fund #2 to the State Highway Improvement Fund. Effective July 1, 2012.			\$1,900,000	\$1,900,000	\$1,900,000	\$1,900,000
	Adjustments To Dedications of Major State Tax, License, and Fee Estimates	\$0	\$0	\$1,900,000	\$1,900,000	\$1,900,000	\$1,900,000
	TOTAL ADJUSTMENTS TO OFFICIAL NET AVAILABLE STATE GENERAL FUND-DIRECT REVENUE FORECAST	\$0	(\$1,195,000)	(\$11,054,100)	(\$40,250,100)	(\$70,601,000)	(\$78,401,000)

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OTHER ITEMS OF INTEREST							
Tobacco Settlement Re-Directed To TOPS Fund							
Act 386 Regular Session SB 52 / SB 53	<p>A constitutional amendment is proposed to re-direct tobacco settlement annual proceeds away from deposit into the Millennium Trust Fund and into the TOPS Fund. Two years of proceeds are re-directed for FY12 (the FY11 payment and the FY12 payment), then each year's single payment thereafter.</p> <p>Effectively brings on budget a revenue flow into the Tobacco Settlement revenue item in Taxes, Licenses, and Fees, and dedicates it to the Tobacco Settlement (TOPS Fund) in Dedications.</p> <p>Effective upon adoption of the constitutional amendment contained in SB 53 of this session, to be submitted at the October 22, 2011 statewide election.</p>		\$80,000,000	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000
Renewal of Cigarette Tax and Dedication of Proceeds To Health Excellence Fund							
Act 386 Regular Session SB 52 / SB 53	<p>A constitutional amendment is proposed to continue an existing 4¢/20-pack tax on cigarettes levied in R.S. 47:841(B)(3) beyond its scheduled expiration of June 30, 2012, and these revenues are dedicated to the Health Excellence Fund. Since the expiration of this levy is already anticipated in the official revenue forecast, from a budgeting perspective, this is effectively a new revenue source, beginning with FY13.</p> <p>Effectively retains on budget a revenue flow in the Tobacco Tax revenue item in Taxes, Licenses, and Fees, and dedicates it to the Tobacco Settlement (Health Excellence Fund) in Dedications.</p> <p>Effective upon adoption of the constitutional amendment contained in SB 53 of this session, to be submitted at the October 22, 2011 statewide election.</p>			\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
Budget Stabilization Fund Revisions							
Act 383 Regular Session SB 171 / SB 147	<p>A constitutional amendment is proposed to provide for the resumption of automatic mineral revenue flows into the budget Stabilization Fund after a withdrawal from the Fund has occurred. When mineral above the base threshold is available, any withdrawal pauses unanticipated flows for that year and the ensuing year, then replenishment occurs at an annual rate of 1/3 of the last withdrawal amount until replenished or the maximum allowed balance is reached.</p> <p>The last withdrawal was \$198.4 million for use in FY10. This amendment requires 1/3 of that amount to be deposited into the Fund in FY12, then 1/3 in FY13, and the balance in FY14, subject to the maximum allowed balance (currently \$155.5 million below the current balance).</p> <p>Effective upon adoption of the constitutional amendment contained in SB 147 of this session, to be submitted at the October 22, 2011 statewide election.</p>		(\$66,133,000)	(\$66,133,000)	(\$22,234,000)		