

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

2012 Regular Session

Instrument	Description	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
SESSION ACTIONS - REVENUE							
Sales Tax - General							
Act 435 Regular Session HB 1096	Extends the Tax Free Shopping program for four more years, until July 1, 2017. The program refunds sales taxes to foreign visitors for purchases of tangible goods.			(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)
Act 45 Regular Session HB 91	Expands Enterprise Zone eligibility to include transit-oriented projects with 200 residential units (from 175), and decreases the retail requirement from 30% to 15% of the facility. A particular project was made eligible by changes to the EZ program in the 2011 session. This bill (2012 session) modifies the program again to retain eligibility for the project as it is developed.			(\$46,000)			
Act 490 Regular Session HB 335	Dedicates state sales tax receipts associated with sales within the New Orleans City Park Taxing District to subsidize the tax increment financing of projects within the district. The state dedication can be as much as the local dedication, which is currently 2.5% of tax rate. State net tax receipts will be reduced by the amount of taxes dedicated to the local district.		DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
Act 819 Regular Session HB 1103	Dedicates state sales tax receipts associated with sales within the LA Sports and Entertainment District to subsidize the tax increment financing of projects within the district. Also expands the district to a two block area adjacent to the existing district. The state dedication can be as much as the local dedication.. State net tax receipts will be reduced by the amount of taxes dedicated to the local district.		DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
Act 800 Regular Session HB 754	Authorizes a program whereby the State contracts with procurement processing companies that facilitate the shifting of taxable sales and sales tax payments into Louisiana from other states. The State rebates back a portion of the sales taxes paid and retains a portion itself. State sales tax receipts can potentially increase to the extent the shifted sales are truly new taxable sales to the state, and to the extent the state does not have to refund taxes paid as a result of other states denying participating firms a credit for taxes paid to LA.		UNCERTAIN	UNCERTAIN	UNCERTAIN	UNCERTAIN	UNCERTAIN
Corporate Income & Franchise Tax							
Act 219 Regular Session HB 1072	Continues Quality Jobs Program payroll subsidies to the New Orleans Hornets National Basketball Assn. franchise for 10 more years. These benefits for the franchise are capped at \$3.650 million per year. Existing benefits are provided through FY13.			(\$3,650,000)	(\$3,650,000)	(\$3,650,000)	(\$3,650,000)

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Act 415 Regular Session HB 729	Allows single sales factor apportionment to be offered to targeted businesses for up to 40 years. LED anticipates a modest ramp up of participation of one to two firms added to the program each year, with corporate tax liability reductions accumulating as participation accumulates. Effective beginning with corporate income tax years 2013 and franchise tax years 2014. New contracts can not be entered into after June 30, 2017.			(\$1,000,000)	(\$2,000,000)	(\$4,000,000)	(\$5,000,000)
Act 503 Regular Session HB 937	Provides for reimbursements of relocation or expansion costs of targeted businesses. 25% of eligible costs are reimbursed evenly over 5 years. Effective July 1, 2012, but delays built into bill work to delay first cost realizations unto FY14 at the earliest. New contracts can not be entered into after June 30, 2017.			(\$1,000,000)	(\$3,000,000)	(\$4,000,000)	(\$5,000,000)
Act 507 Regular Session HB 958	Provides for payroll subsidies up to 15% for targeted businesses. Contracts can be for up to 10 years. Effective July 1, 2012, but delays built into bill work to delay first cost realizations unto FY14 at the earliest. New contracts can not be entered into after June 30, 2017.			(\$1,000,000)	(\$2,000,000)	(\$3,000,000)	(\$5,000,000)
Individual and Corporate Income Tax							
Act 25 Regular Session HB 969	Reimburses individuals and businesses for contributions to school tuition organization. Reimbursements are made from general tax collections before deposit into the state treasury, thus reducing net tax collections. Effective for funding attendance in the 2013-2014 school year, with reimbursement made after the conclusion of the school year subject to certain other requirements. Payments can occur as early as the end of FY14.			(\$500,000)	(\$2,000,000)	(\$4,000,000)	(\$8,000,000)
Excise License Tax (premium tax)							
Act 597 Regular Session HB 822	Recognizes tax receipts collected on health care premiums paid to Medicaid-enrolled managed care organizations by the state medicaid program, resulting from the implementation of the state's Bayou Health and LA Behavioral Health Partnership managed care programs. FY13 receipts may be only partial year, with full year receipts in FY14 and thereafter.		\$11,000,000	\$18,000,000	\$18,000,000	\$18,000,000	\$18,000,000
Total Adjustments To Major State Tax, License And Fee Estimates		\$0	\$11,000,000	\$9,804,000	\$4,350,000	(\$1,650,000)	(\$9,650,000)

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SESSION ACTIONS - DEDICATIONS							
LA Medical Assistance Trust Fund							
Act 597 Regular Session HB 822	Dedicates to the LA Medical Assistance Trust Fund (MARF) receipts collected on health care premiums paid to Medicaid-enrolled managed care organizations by the state medicaid program, resulting from the implementation of the state's Bayou Health and LA Behavioral Health Partnerships managed care programs. FY13 receipts may be only partial year, with full year receipts in FY14 and thereafter.		\$11,000,000	\$18,000,000	\$18,000,000	\$18,000,000	\$18,000,000
	Adjustments To Dedications of Major State Tax, License, and Fee Estimates	\$0	\$11,000,000	\$18,000,000	\$18,000,000	\$18,000,000	\$18,000,000
TOTAL ADJUSTMENTS TO OFFICIAL NET AVAILABLE STATE GENERAL FUND-DIRECT REVENUE FORECAST		\$0	\$0	(\$8,196,000)	(\$13,650,000)	(\$19,650,000)	(\$27,650,000)
OTHER ITEMS OF INTEREST							
Act 597 Regular Session HB 822	The bill creates the Budget Stabilization Replenishment Fund to receive the difference between the official forecast for FY12 adopted on April 24, 2012 and the actual revenue collections for FY12. The maximum difference that can be deposited into the Fund is \$204.7 million; the amount authorized to be withdrawn from the Budget Stabilization Fund to support the FY12 budget as per SCR 128. Once an amount is deposited into the Replenishment Fund, the treasurer is directed to transfer these monies into the Budget Stabilization Fund.		\$204,700,000 Maximum				
Act 37 Regular Session SB 640	Allows the economist principal of the Revenue Estimating Conference to appoint a faculty member to represent him/she at REC meetings in the event of a medical condition which prevents his/her attendance. The president of the principal's college or university shall make the designation of the principal is incapacitated.						