

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

2017 Regular Session

Instrument	Description	2017-18	2018-19	2019-20	2020-21	2021-22
SESSION ACTIONS - REVENUE						
Telecommunications Tax for the Deaf						
Act 273 Regular Session HB 582	Lowers the current levy to 4.5¢ per line per month (from 5¢), and expands the applicable base to include wireless services. Effective October 1, 2017.	\$3,500,000	\$4,700,000	\$4,700,000	\$4,700,000	\$4,700,000
Individual Income Tax						
Act 375 Regular Session SB 25	Eliminates the nonrefundable per-child tax credit for K-12 educational expenses. Currently \$18/child, but scheduled to return to \$25/child on July1, 2018. Elimination effective for the 2017 tax year.	\$9,200,000	\$12,800,000	\$12,800,000	\$12,800,000	\$12,800,000
Act 325 Regular Session SB 243	Modifies the alternative fuel vehicle conversion tax credit. Lowers the credit rate to 30% (currently 36%, then 50% from FY19), makes the credit nonrefundable, and limits the applicability of the credit with regard to fueling equipment.	\$600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000
Act 270 Regular Session HB 337	Expands the tax credit for barrier-free design elements for the disabled in new home construction to renovations to existing single and multi-family residential dwellings. Total annual program credit cap is \$500,000, significantly increasing state fiscal exposure from utilization of the current credit.		(\$450,000)	(\$450,000)	(\$450,000)	(\$450,000)
Act 345 Regular Session HB 454	Expands the Angel Investor tax credit through fiscal year 2021. Changes various program parameters, and keeps the \$3.6 million annual program credit award cap.				(\$600,000)	(\$2,160,000)
Act 358 Regular Session HB 639	Provides an exclusion from the gross income of an out-of-state individual or business for the income earned while in the state providing defined disaster response or emergency related services. Applicable to tax periods beginning in 2018.		DECREASE	DECREASE	DECREASE	DECREASE
Act 377 Regular Session SB 95	Modifies the tax credits available for contributions to student tuition organizations that fund private school tuition costs for participating students. Credit is made non-refundable (from a rebate), and made available only to contributors that file a state income tax return. Effective for contributions made from January 1, 2018.		INCREASE	INCREASE	INCREASE	INCREASE
Act 413 Regular Session HB 187	Provides for payment of tax credits that had been denied to taxpayers claiming credit for solar energy systems as result of aggregate credit caps in place when they filed their tax returns. Credits due are to be paid in 3 equal installments beginning in FY18.	(\$5,000,000)	(\$5,000,000)	(\$5,000,000)		
Act 342 Regular Session HB 427	Modifies the existing tax credit available to physicians and dentists who are located in certain under-served areas of the state (up to \$3,600 currently, up to \$5,000 after July 1, 2018). Changes the definition of under-served areas and allows eligibility for nurse practitioners. Total program capped at \$1.5 million per year, and terminated after December 31, 2020. Effective January 1, 2018. Potential additional \$1 million per year state fiscal exposure.		(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)

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Corporate Income & Franchise Tax						
Act 309 Regular Session SB 254	Revises the film tax credit program. Credit claims payments are continued at a maximum of \$180 million per year indefinitely, although under-realizations in one year can increase the cap in the following year. Credit issuances are capped at \$150 million per year. Direct buyback of credits is increased to 90% of face value (from 85%), and full face value of buyback credits is to be charged against the claims payment cap. Effective for applications made from July 1, 2017. No new credits can be issued from July 1, 2025.	STABILIZE COSTS				
Act 396 Regular Session SB 248	Revises the musical and theatrical production tax credit program. Credit issuances are capped at \$10 million per year, although under-issuance in one year can increase the issuance cap in the following year. No new credits can be issued from July 1, 2025.	STABILIZE COSTS				
Act 206 Regular Session HB 237	Extends participant entry into the Enterprise Zone program by four years from July 1, 2017 to July 1, 2021. Net receipts will be lower than they would otherwise be as program participation continues.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
Act 286 Regular Session SB 17	Terminates participant entry into the corporate tax apportionment program, the angel investor tax credit, the sound recording investor tax credit, the green jobs tax credit, the urban revitalization tax credit program, and accelerates the repeal of the Motion Picture Incentive Act, on either July 2017 or July 1, 2021.		INCREASE	INCREASE	INCREASE	INCREASE
Act 386 Regular Session SB 183	Prohibits new participant entry to a number of incentive/subsidy programs ranging from July 1, 2017 to July 1, 2022. Also makes extensive changes to the Quality Jobs Program (QJP) of payroll subsidy. Most of the net revenue gain from the bill comes from changes to QJP that constrain participation in the program.			\$10,400,000	\$22,200,000	\$25,000,000
Act 400 Regular Session SB 79	Repeals the June 30, 2018 termination of various credit reductions temporarily implemented by Act 125 of 2015 (as amended by Act 29 of 2016 ES1). Makes these credit reductions permanent after June 30, 2018. Works to result in net increases in revenue, but of highly uncertain magnitudes and annual timing.		\$12,500,000	\$12,500,000	\$12,500,000	\$12,500,000
Act 336 Regular Session HB 300	Extends the Research & Development tax credit program for two years to December 31, 2021, and modifies the program to effectively reduce the total program costs while targeting benefits more toward firms receiving federal small business awards. Applicable to tax years beginning in 2017.	\$300,000	(\$200,000)	\$200,000	\$900,000	\$900,000
Act 338 Regular Session HB 313	Expands the property eligible for the inventory tax credit reimbursement for local ad valorem taxes paid to include rental equipment used in the construction, mining, and forestry industries, as well as general rental centers. Retroactively applicable to tax periods beginning in 2016.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
Act 352 Regular Session HB 555	Provides a deduction from gross income of dividends received by members of certain defined regulated groups of entities. Applicable to tax periods beginning in 2018.		DECREASE	DECREASE	DECREASE	DECREASE
Act 385 Regular Session SB 182	Provides that only taxpayers included in a consolidated federal income tax return are considered as one taxpayer for purposes of limiting refundability of the inventory tax credit. Applicable to returns filed after June 30, 2017.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
Act 275 Regular Session HB 646	Expands participation and extends to January 1, 2021 to sound recording tax credit program. Existing program credit cap of \$2.160M per year is maintained. Participation has never approached cap, but with this bill's expansion of eligible potential participants, credits above historical norm are possible, increasing state fiscal exposure above utilization of the current credit.		(\$1,960,000)	(\$1,960,000)	(\$1,960,000)	(\$1,960,000)

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Sales Tax, general						
Act 279 Regular Session SB 93	Effectively exempts surface preparation and painting of aircraft delivered to out-of-state locations during FY18. Under current law, these transactions are subject to 2% tax through FY18, and then return to full exempt status from FY19 and beyond. Effective July 1, 2017.	(\$120,000)				
Act 424 Regular Session HB 629	Exempts sales of polyroll tubing used in farm irrigation (effective October 1, 2017), and certain purchases of radiation therapy treatment facilities (effective July 1, 2017). Reduces revenue in FY18, but current law returns these transactions to exempt status in FY19 and beyond.	(\$690,000)				
Act 318 Regular Session SB 30	Extends the Tax Free Shopping Program, for foreign tourist sales tax exemption, for six more years until July 1, 2023.	(\$1,200,000)	(\$1,200,000)	(\$1,200,000)	(\$1,200,000)	(\$1,200,000)
Act 209 Regular Session HB 264	Expands the type of construction contracts that are afforded protection from sales tax increases during the contract period. Substantial exposure to revenue loss is possible. Applicable to any additional sales taxes enacted on or after July 1, 2017	DECREASE EXPOSURE	DECREASE EXPOSURE	DECREASE EXPOSURE	DECREASE EXPOSURE	DECREASE EXPOSURE
Act 426 Regular Session SB 180	Exempts medical devices used by patients under supervision of physicians beginning FY18. Current law expires taxation of these transactions from FY19. Much of these tax payments are being protested and escrowed, but The Dept of Revenue indicates that not all such payments appear to be protested.	DECREASE				
Act 340 Regular Session HB 396	Restricts excluded transactions to investment metals, numismatic coins valued over \$1,000, and sales at trade shows. Other numismatic sales will be subjected to tax. Effective October 1, 2017.	INCREASE or DECREASE	INCREASE	INCREASE	INCREASE	INCREASE
Act 274 Regular Session HB 601	The bill creates the LA Uniform Local Sales Tax Board and provisions. Dedicates up to 1% of state sales tax receipts from remote sellers should federal law be passed that requires remote sellers to collect and remit state and local sales tax.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
Severance Tax						
Act 421 Regular Session HB 461	Re-establishes a severance tax reduction for wells inactive for at least two years or orphaned for at least five years. Inactives receive a 50% tax rate reduction for ten years, orphans a 75% reduction for ten years. Well participation certifications can be delayed in any fiscal year if severance tax receipts from these wells exceeds \$15 million, and certifications must be made by June 30, 2023.			DECREASE	DECREASE	DECREASE

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Excise License Tax (Premium Tax)						
Act 313 Regular Session HB 664	Provides conditions for certain HMOs to continuing qualifying for premium tax investment credits beyond the January 1, 2019 sunset date of the availability of this credit for certain HMOs.			DECREASE	DECREASE	DECREASE
Total Adjustments To Major State Tax, License And Fee Estimates		\$6,590,000	\$21,790,000	\$32,590,000	\$49,490,000	\$50,730,000
SESSION ACTIONS - DEDICATIONS						
Mineral and Energy Operations Fund						
Act 329 Regular Session HB 49	Increases the allocation of royalty collections from non-judicial settlements by \$900,000 per year for FY18 - FY21.	\$900,000	\$900,000	\$900,000	\$900,000	
Telecommunicatins Tax for the Deaf						
Act 273 Regular Session HB 582	Lowers the current levy to 4.5¢ per line per month (from 5¢), and expands the applicable base to include wireless services. Effective October 1, 2017.	\$3,500,000	\$4,700,000	\$4,700,000	\$4,700,000	\$4,700,000
New Orleans Quality of Life Fund						
Act 333 Regular Session HB 224	Dedicates 2% of the 3.97% state sales tax levied on room rentals in residences (AirBnB etc) in Orleans Parish to this new special fund for use by the city. The 1.97% balance of state rate is already dedicated to other special funds, the receipts of which are also redirected to this new fund. An increase in the receipts of the new fund is financed by a decrease in the state general fund and other special funds.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
Adjustments To Dedications of Major State Tax, License, and Fee Estimates		\$4,400,000	\$5,600,000	\$5,600,000	\$5,600,000	\$4,700,000
TOTAL ADJUSTMENTS TO OFFICIAL NET AVAILABLE STATE GENERAL FUND-DIRECT REVENUE FORECAST		\$2,190,000	\$16,190,000	\$26,990,000	\$43,890,000	\$46,030,000
OTHER ITEMS OF INTEREST						
Incentive Expenditure Report						
Act 401 Regular Session SB 98	Amends current provision to require administering agencies to report on each of the 28 specified programs at each REC meeting. Also requires these programs to be seperately included in the executive budget and the appropriation bill within the section of the agency that administers the program. Applicable beginning with FY19.		Incentive Expenditure Reporting	Incentive Expenditure Reporting	Incentive Expenditure Reporting	Incentive Expenditure Reporting

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ACT 419 ITEMS						
ACT 419 STATUTORY DEDICATIONS						
Oil and Gas Regulatory Fund						
Act 218 Regular Session HB 389	Modifies regulatory authority of pipeline utilities and facilities. Additional fines and civil penalties are expected to be received.	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Oilfield Site Restoration Fund						
Act 411 Regular Session HB 98	Applies the existing fee fully to full-rate production wells.	\$1,400,000	\$1,400,000	\$1,300,000	\$1,200,000	\$1,100,000
Hospital Stabilization Fund						
Regular Session HCR 8	Provides for the annual continuation of hospital stabilization formula assessments. Effective for FY18.	\$60,654,000				
Criminal Identification and Information Fund						
Act 147 Regular Session HB 268	Requires background checks for employees of agencies with access to federal tax information, criminal histories, or state-issued REAL ID information. A \$38 fee is to be collected by a State Police.	\$91,000	\$1,000	\$1,000	\$1,000	\$1,000
LA Entertainment Development Fund						
Act 223 Regular Session HB 508	Changes the current \$200/transfer fee for film tax credit transfers to a charge of 2% of the credit value being transferred, and directs the fee revenue into the newly created Fund (75% for the Dept of Econ Dev and 25% for the Dept of Revenue). Based on historical transfers the fee change could generate substantial additional revenue (\$8 million), however the 2% fee is substantially larger than the current fee, and may discourage transfers, especially in light of the 90% direct state buyback provided in SB 254 that this bill is contingent upon.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
Total Act 419 Statutory Dedications		\$62,195,000	\$1,451,000	\$1,351,000	\$1,251,000	\$1,151,000
ACT 419 SELF-GENERATED REVENUE						
Department of Insurance						
Act 154 Regular Session HB 503	Modifies insurance producer license fees.	\$500,000	\$300,000			
Act 159 Regular Session HB 643	Imposes a renewal fee for viatical settlement provider licenses, and a fee for failure to timely file for the renewal of the adjuster license.	\$76,000	\$76,000	\$76,000	\$76,000	\$76,000
Departments of Education and Children and Family Services						
Act 423 Regular Session HB 557	Authorizes a \$15 charge, to be collected by the Dept. of Education, for the costs of criminal background checks through the Dept of Children and Family Services and the Natioal Crime Information Center.	\$426,000	\$326,000	\$136,000	\$136,000	\$84,000

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Department of Children and Family Services						
Act 348 Regular Session HB 486	Authorizes a \$25 fee for searches of the State Central Registry for individuals to be employed at child care, juvenile care, child-placement, maternity home, or residential home businesses.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
Department of Health - Office of Public Health						
Act 66 Regular Session HB 493	Authorizes a new \$150 fee for re-inspections of retail food establishments. Effective March 1, 2018.	\$13,800	\$165,400	\$165,400	\$165,400	\$165,400
Department of Health - Office of Behavioral Health						
Act 417 Regular Session HB 402	Authorizes a new \$600 license fee for community-based care facilities, as well as a bed fee and renewal fee through rule promulgation. Facilities are also authorised to be housed in state owned buildings, possibly generating rent payments to the Dept.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
Department of Public Safety - Office of Motor Vehicles						
Act 87 Regular Session HB 487	Authorizes a \$500/day penalty plus court costs for violations of a cease and desist order issued to entities selling, advertising, or possessing noncompliant identification credentials.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
Act 320 Regular Session SB 101	Allows holders of military honor license plates to receive the same license number for use on motorcycles and boat trailer plates without paying and additional license tax or fee.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE
	Total Act 419 Self-Generated Revenue	\$1,015,800	\$867,400	\$377,400	\$377,400	\$325,400
	Total Act 419 Revenue	\$63,210,800	\$2,318,400	\$1,728,400	\$1,628,400	\$1,476,400