

AMNESTY 2001 COLLECTIONS ALLOCATION
(as of close of FY 2001-2002)
Legislative Fiscal Office

Share of Amnesty Collections		GROSS AMNESTY COLLECTIONS	INTEREST and PENALTIES ABATED	CONTAINED IN REC REVENUE COLLECTIONS	Share of REC FY02 Revenue Collections
0.06%	Total Amnesty Collections less non-REC revenue	\$192,901,002 \$123,460	\$151,512,795 \$166,725		
		\$192,777,541	\$151,346,070	\$163,632,397	2.0%
35.87%	Corporate Income	\$69,154,461	\$56,529,968	\$58,699,318	22.2%
<u>20.35%</u>	<u>Corporate Franchise</u>	<u>\$39,232,743</u>	<u>\$34,856,759</u>	<u>\$33,301,326</u>	<u>12.8%</u>
56.22%	Corporate Combined	\$108,387,205	\$91,386,727	\$92,000,645	17.5%
28.62%	General Sales	\$55,175,157	\$42,103,054	\$46,833,481	2.0%
0.04%	FIDUCIARY	\$83,467	\$25,157	\$70,848	
1.55%	WITHHOLDING	\$2,981,096	\$2,802,383	\$2,530,398	
<u>9.98%</u>	<u>INDIV INCOME</u>	<u>\$19,238,039</u>	<u>\$10,312,409</u>	<u>\$16,329,529</u>	
11.57%	Individual Income	\$22,302,603	\$15,288,757	\$18,930,776	1.1%
2.73%	Severance	\$5,261,018	\$977,228	\$4,465,629	0.9%
0.21%	Gasoline	\$412,599	\$622,183	\$350,220	0.1%
0.19%	Special Fuel	\$370,974	\$596,839	\$314,889	0.3%
0.18%	Inheritance	\$356,363	\$147,771	\$302,486	0.5%
0.18%	Gift	\$345,771	\$270,184	\$293,496	6.8%
0.05%	Motor Vehicle Sales	\$86,770	\$25,878	\$73,652	0.02%
0.04%	Tobacco	\$71,081	\$53,302	\$60,335	0.05%
0.002%	Beer	\$4,155	\$4,701	\$3,527	0.01%
0.001%	Public Utilities	\$2,202	\$4,080	\$1,869	0.1%
0.001%	Auto Rental Excise	\$1,643	\$13,893	\$1,395	0.03%
		\$192,777,541		\$163,632,397	

<u>Recognized As:</u>	<u>Non-Recurring Revenue Allocation:</u>
Non-Recurring Revenue	\$38,150,641 Budget Stabilization Fund
<u>Recurring Revenue</u>	<u>\$11,029,834</u> Other Non-Recurring Purposes
REC Revenue Collections	\$152,602,563
Self-Generated for Dept. of Revenue	<u>\$29,145,144</u>
	\$192,777,541

Louisiana Tax Delinquency Amnesty Act of 2001:

Available to all taxpayers owing any tax imposed by the state for any tax period and collected by the Department of Revenue. Effective for up to 60 days between July 1, 2001 and June 30, 2002. Amnesty not available to taxpayers who are a party to any criminal or civil investigations or litigation. Amnesty not available to any tax involved in an ongoing or unresolved review or examination of the taxpayer if the taxpayers as been notified of such review or examination. Amnesty not available if the taxpayer has paid under protest. An amount equal to all penalties waived shall be retained by the Department as self-generated revenue.

Much of these receipts may likely have been collected over the next few years, even without the amnesty program. Estimates of the shift of collections into FY02 from subsequent years (based on Dept. of Revenue judgements, and in millions of dollars) are:

	<u>Tax</u>	<u>Interest & Penalties</u>	<u>Total</u>
May Never have been collected, 9%	\$17.4	\$13.6	\$31.0
May have been collected in FY02, 30%	\$52.7	\$41.4	\$94.0
May have been collected in FY03, 20%	\$35.1	\$27.6	\$62.7
May have been collected in FY04, 20%	\$35.1	\$27.6	\$62.7
May have been collected in FY05, 15%	\$26.3	\$20.7	\$47.0
May have been collected in FY06, 15%	<u>\$26.3</u>	<u>\$20.7</u>	<u>\$47.0</u>
	\$192.9	\$151.5	\$344.4

As a result of this shifting of revenue from future periods into FY02, collections in future years may be less than otherwise expected, by the following amounts; FY03 \$62.7 million, FY04 \$62.7 million, FY05 \$47 million, and FY06 \$47 million. These amounts may actually have been larger in the future period because the interest & penalty components may have grown from the levels associated with the delinquent taxes when paid in FY02 under the amnesty program. The State collected \$192.9 million in FY02 (\$17.4 million of which it probably would have never received and \$52.7 million of which it may have received in that year anyway). To receive those amnesty monies in FY02, the State gave up the receipt of \$137.9 million in interest & penalties it may have received over the five-year period FY02 - FY06. Thus, from a simple net benefit perspective, the State received \$140.2 million of additional revenue in FY02 (\$192.9 - \$52.7 it may have received anyway) at a cost of \$137.9 million of foregone interest & penalty receipts over a five year period. Foregone interest & penalty receipts may actually have been larger over this five year period as additional time would have passed from the time amnesty payment was made (and interest & penalty were calculated in the program) and the time that collection may have actually been made in a future period (and interest & penalty would have been calculated at that point). Note, however, that this simple analysis hinges on judgements of how much and at what point these delinquent taxes, interest, and penalties would have been paid in the future. Obviously, different results would occur with a different set of judgements about the likelihood, amounts, and timing of delinquent payments in future years.

REC = Revenue Estimating Conference
 Non-REC revenues are drug tax stamp sales and hotel room rental taxes collected for dedications to local governments.