

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

2016 1st Extraordinary Session

Instrument	Description	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
SESSION ACTIONS - REVENUE							
Alcoholic Beverage Tax / Beer Tax							
Act 13 1st Ex. Session HB 27	Increases the excise tax rates on beer and other alcoholic beverages. Inventories on hand are not subject to the rate increases. Effective April 1, 2016.	\$4,700,000	\$19,200,000	\$19,300,000	\$19,500,000	\$19,600,000	\$19,800,000
Act 7 1st Ex. Session HB 28	Reduces the discounts provided for timely filing and remittance of excise taxes on beer and other alcoholic beverages. Effective April 1, 2016.	\$94,000	\$375,000	\$375,000	\$375,000	\$375,000	\$375,000
Auto Rental Excise Tax							
Act 14 1st Ex. Session HB 39	Reinstates a 3% excise tax on short-term automobile rentals, with a 2.5% tax for state government and a 0.5% tax for local entities. State tax receipts are shown here. Effective April 1, 2016.	\$800,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Corporate Income & Franchise Tax							
Act 12 1st Ex. Session HB 19	Extends the corporate franchise tax to other forms of business organization other than traditional C-corporations. The bill also provides an exception for subsidiaries of S-corps purchased between 1/1/2012 and 1/1/2014. This works to reduce the estimated revenue gain of the bill by some unknown amount. Effective for tax period beginning on or after January 1, 2017.	\$0	\$10,340,000	\$89,300,000	\$94,000,000	\$94,000,000	\$94,000,000
Act 23 1st Ex. Session SB 15	Changes the priority order of tax credit utilization against liabilities such that refundable credits (other than the inventory tax credit) are utilized second after nonrefundable credits with no carry-forward. Inventory tax credits are sixth priority. Transferable credits can be claimed on a return only if they were obtained prior to the due date of the return. Inventory credits are the largest offsets against tax. Without their prioritization the bill likely generates no additional net revenue for the state. Effective for tax years beginning on and after January 1, 2016.	\$0	\$0	\$0	\$0	\$0	\$0
Act 18 1st Ex. Session HB 71	Imposes various limitations to the Enterprise Zone Program, with accumulating net state revenue gains as program costs are diminished and project restrictions work through the program. Effective upon governor's signature.	\$0	\$0	\$2,000,000	\$9,000,000	\$26,000,000	\$50,000,000
Act 16 1st Ex. Session HB 55	Requires corporations to add back otherwise deductible interest expenses, intangible expenses, and management fees when computing net income. Aggregate taxable income should expand as well as consequent state tax liabilities. Effective for tax years beginning on and after January 1, 2016.	\$0	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE

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Act 6 1st Ex. Session HB 20	Clarifies the intent of Act 123 of 2015 limiting net operating loss deductions to 72% of Louisiana net income. Maintains the expected revenue gain from Act 123. Effective January 1, 2016.	\$0	\$0	\$0	\$0	\$0	\$0
Act 1 1st Ex. Session HB 7	Returns to 100% the exclusion allowed corporations receiving dividend income from banking corporations that was reduced by Act 123 of 2015. No estimate of the revenue gain that would have resulted from that provision was incorporated into the budget. This bill will preclude any revenue gain from occurring.	\$0	\$0	\$0	\$0	\$0	\$0
Act 29 1st Ex. Session HB 24	Terminates the various credit reductions implemented by Act 125 of 2015 when HB 62 of the 2016 ES1 session terminates, which is June 30, 2018. That is also the date that Act 125 of 2015 terminates in its own provisions. Thus, this bill has no effect on the currently anticipated revenue projections.	\$0	\$0	\$0	\$0	\$0	\$0
Act 28 1st Ex. Session HB 22	Terminates the various rebate reductions implemented by Act 126 of 2015 when HB 62 of the 2016 ES1 session terminates, which is June 30, 2018. That is also the date that Act 126 of 2015 terminates in its own provisions. Thus, this bill has no effect on the currently anticipated revenue projections.	\$0	\$0	\$0	\$0	\$0	\$0
Act 24 1st Ex. Session HB 116	Changes the utilization of net operating losses in a current year from the most recent loss year to the oldest loss year. The effect of the bill on the amount of losses available to deduct and consequently tax liabilities will depend on the relative size of newer versus older losses. Effective January 1, 2017	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax, general							
Act 26 1st Ex. Session HB 62	Increases the state sales tax rate by 1% on the traditional base of transactions, as well as subjects various formerly exempt transactions to this new levy. Effective April 1, 2016 through June 30, 2018. General and vehicle components shown to the right.	\$189,400,000	\$781,600,000	\$781,600,000	\$0	\$0	\$0
		\$24,800,000	\$99,000,000	\$99,000,000			
Act 25 1st Ex. Session HB 61	Subjects various formerly exempt transactions to state sales tax. Effective April 1, 2016 through June 30, 2018	\$66,700,000	\$272,300,000	\$272,300,000	\$45,000,000	\$0	\$0
Act 15 1st Ex. Session HB 43	Caps vendor compensation to dealers remitting state sales tax at \$1,500 per month (\$18,000 per year), and compensation is only allowed on the original 4% state sales tax rate. Effective April 1, 2016.	\$1,600,000	\$6,400,000	\$6,400,000	\$6,400,000	\$6,400,000	\$6,400,000
	Vendor compensation is not allowed for the additional levy in HB 62. Thus, additional net revenue is generated through the interaction of HB 43 and HB 61.	\$2,100,000	\$8,200,000	\$8,200,000			

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Act 9 1st Ex. Session HB 72	Renews a 1% state sales tax on interstate telecommunications services. Effective April 1, 2016	\$900,000	\$3,400,000	\$3,400,000	\$3,400,000	\$3,400,000	\$3,400,000
Act 17 1st Ex. Session HB 59	Expands the definition of hotel to include establishments with any number of rooms including residential locations. These receipts are received by the state as general sales tax, but are generally dedicated to the local area from which they are generated. Effective upon governor's signature.	\$0	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
Act 22 1st Ex. Session HB 30	Attempts to provide enforcement and compliance from remote sellers by expanding the definition of dealer by establishing nexus through affiliate arrangements involving independent contractor or other relationships. Additional collections from remote or online sellers is possible, but material compliance and collections are not expected. Effective for tax periods beginning on or after April 1, 2016.	\$0	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
Tobacco Tax							
Act 4 1st Ex. Session HB 14	Increases tax on cigarettes by 22¢ per pack. Effective April 1, 2016.	\$11,000,000	\$46,000,000	\$46,000,000	\$46,000,000	\$46,000,000	\$46,000,000
Act 5 1st Ex. Session HB 18	Reduces the discounts provided for timely filing and remittance of excise taxes on cigarettes and other tobacco products. Effective April 1, 2016.	\$550,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000	\$2,200,000
Excise License Tax (Premium Tax)							
Act 10 1st Ex. Session HB 87	Makes a 5% reduction in the investment tax credit against premium tax that is available to insurers based on the share of admitted assets they hold in various La investments. Effective for premium years 2016 and 2017. The bill also imposes a 6% tax on premiums of health maintenance organizations participating in the state Bayou Health Program providing health care services to low-income populations. This component of the bill requires federal approval to be implemented.	\$0	\$8,300,000	\$8,600,000	\$0	\$0	\$0
Total Adjustments To Major State Tax, License And Fee Estimates		\$302,644,000	\$1,262,315,000	\$1,343,675,000	\$230,875,000	\$202,975,000	\$227,175,000

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SESSION ACTIONS - DEDICATIONS							
Tourism Promotion District							
Act 25 1st Ex. Session HB 61	Subjects various formerly exempt transactions to sales tax. A portion of net receipts generated are allocated to the Tourism Promotion District dedication. Effective April 1, 2016 through June 30, 2018	\$1,000,000	\$0	\$0	\$0	\$0	\$0
Economic Development Fund							
Act 25 1st Ex. Session HB 61	Subjects various formerly exempt transactions to sales tax. A portion of net receipts generated are allocated to economic development dedications. Effective April 1, 2016 through June 30, 2018	\$400,000	\$900,000	\$900,000	\$0	\$0	\$0
Telephone Company Property Assessment Relief Fund							
Act 9 1st Ex. Session HB 72	Renews a 1% sales tax on interstate telecommunications services. The Department of Revenue allocates 36% of these receipts to the tis special fund. Deposits are ultimately used to reimburse the state general fund for the cost of a refundable tax credit affected firms claim to cover a portion of their local ad valorem tax. Effective April 1, 2016	\$300,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000	\$1,200,000
Local Hotel/Motel Tourism Development Funds							
Act 17 1st Ex. Session HB 59	Expands the definition of hotel to include establishments with any number of rooms including residential locations. These receipts are received by the state as general sales tax, but are generally dedicated to the local area from which they are generated. Effective upon governor's signature.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
Tobacco Tax Dedications							
Act 5 1st Ex. Session HB 18	Reductions to the discounts provided for timely filing and remittance of excise taxes on cigarettes and other tobacco products result in greater state tobacco receipts, a portion of which is dedicated to the special funds below (FY16 / FY17). Effective April 1, 2016. (A) Health Education Fund - \$91,667 / \$367,000 (B) Tobacco Tax Health Care Fund - \$91,667 / \$367,000 (C) Tobacco Regulation Enforcement Fund - \$91,667 / \$367,000	\$275,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000	\$1,100,000
Adjustments To Dedications of Major State Tax, License, and Fee Estimates		\$1,975,000	\$3,200,000	\$3,200,000	\$2,300,000	\$2,300,000	\$2,300,000
TOTAL ADJUSTMENTS TO OFFICIAL NET AVAILABLE STATE GENERAL FUND-DIRECT REVENUE FORECAST		\$300,669,000	\$1,259,115,000	\$1,340,475,000	\$228,575,000	\$200,675,000	\$224,875,000

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OTHER ITEMS OF INTEREST							
Budget Stabilization Fund Transfer To State General Fund							
1st Ex. Session SCR 2	Authorizes a transfer from the Budget Stabilization Fund into the state general fund of \$128,459,663.85.	\$128,459,664					
Corporate Income Tax							
Act 31 1st Ex. Session HB 31	Proposed constitutional amendment to remove the requirement for a deduction of federal income taxes paid from the income of corporations for state tax purposes. The requirement for such a deduction from individual income is retained. To be submitted at the November 8, 2016 statewide election.			Potential Expansion of Corporate Income Tax Base			
Act 30 1st Ex. Session HB 95	Statutory companion providing for the elimination of federal taxes paid as a deduction from corporate income. Effective for tax years beginning on and after January 1, 2017, and contingent upon adoption of the constitutional amendment contained in HB 31 being submitted at the November 8, 2016 statewide election.			Expansion of Corporate Income Tax Base			
Act 8 1st Ex. Session HB 29	Establishes a single 6.5% tax rate on all corporate taxable net income. Effective for tax years beginning on and after January 1, 2017, and contingent upon adoption of the constitutional amendment contained in HB 31 being submitted at the November 8, 2016 statewide election. Estimated effect based on the interaction of HB 31, HB 95, and HB 31.			\$3,300,000	\$28,500,000	\$30,000,000	\$30,000,000
				Estimates If HB 31 and HB 95 Are Implemented			
Act 21 1st Ex. Session HB 2	Repeals the SAVE program that recharacterized general revenue as statutory dedication means-of-finance through the Higher Education Initiatives Fund. The program enacted in 2015 had no effect other than this recharacterization and its repeal will have no effect. No adjustments to the revenue forecast allocations are necessary since the recharacterization was anticipated as an annual exercise requiring annual appropriation.		\$0	\$0	\$0	\$0	\$0

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	ACT 419 ITEMS						
	ACT 419 STATUTORY DEDICATIONS						
Fiscal Year 2015-2016 Deficit Elimination Fund							
Act 3		\$200,000,000					
1st Ex. Session	A new special fund created to receive the first \$200 million of state economic damages settlement payments associated the Deepwater Horizon litigation. Monies in the fund are to be appropriated to eliminate all or a portion of the FY16 budgetary deficit.						
SB 4	Those monies would have been deposited into the Deepwater Horizon Economic Damages Collection Fund, to be allocated among the Budget Stabilization Fund, the Medicaid Trust Fund for the Elderly, and the Health Trust Fund. Subsequent settlement receipts are still directed to this existing Fund. Settlement payments continue in FY19 - FY33 at approximately \$53.3 million per year. Currently, these payments are still deposited to the Deepwater Horizon Economic Damages Collections Fund.						