

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

2016 Regular and 2nd Extraordinary Session

Instrument	Description	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
SESSION ACTIONS - REVENUE							
Corporate Income & Franchise Tax							
Act 4 2nd Ex. Session SB 6	Modifies the refundability of inventory credit by establishing a tiered structure that effectively reduces the aggregate amount of credit that is refundable in excess of offsetting tax liabilities. Credit balances not refundable are allowed a 5-year carry-forward against future tax liabilities. Applicable to all tax returns filed on and after July 1, 2016.		\$17,300,000	\$17,300,000	\$17,300,000	\$17,300,000	\$17,300,000
Act 5 2nd Ex. Session SB 10	Modifies the refundability of inventory credit available to manufacturers with ad valorem industrial tax exemption benefits. Credit available in excess of tax liabilities are not to be refunded, but are allowed a 5-year carry-forward against future tax liabilities. Applicable to all tax returns filed on and after July 1, 2016. Interaction with SB6, affecting all firms with inventory credits, have been encapsulated in the estimate of effect for SB6, and require no further adjustment.		\$57,000,000	\$57,000,000	\$57,000,000	\$57,000,000	\$57,000,000
Act 10 2nd Ex. Session HB 29	Reduces aggregate interest payments on overpayments of tax by starting payments 90 days after the later of the tax return due date, the return filing date, or payment date. Realized as an increase in net tax collections. Composed primarily of corporate tax (75%), sales tax (20%), and severance tax/others(5%). Some small amount accrues to dedications.		\$12,525,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000
Act 8 2nd Ex. Session HB 20	Changes apportionment calculations for firms in the industries other than oil & gas to a single ratio of their Louisiana income to their total income. Oil & gas firms will use the traditional three factor average but with the sales factor doubled. The bill also provides for the sourcing of sales of services to the state if the taxpayer's market for the sale is in the state. Applicable to tax periods beginning on or after January 1, 2016.		INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
Act 335 Regular Session HB 978	Allows corporate franchise tax claims against the state to be taken against future corporate income or franchise tax liabilities, rather than be paid as an appropriated judgement. Provides that such settlements can be spread over up to six fiscal years, subject to available tax liabilities. Such settlements are transferable within an affiliated group of taxpayers, but can not be taken prior to July 1, 2017.			DECREASE	DECREASE	DECREASE	DECREASE
Act 664 Regular Session HB 794	Extends the time period by one year for which contracts for the Competitive Projects Payroll Incentive Program can be approved, from July 1, 2017 to July 1, 2018. To the extent new program participation is approved within that extended time frame, greater program costs will be paid out over a subsequent ten years.			DECREASE	DECREASE	DECREASE	DECREASE
Act 663 Regular Session HB 783	Extends the time period by six months for which contracts for the Quality Jobs Program can be approved, from January 1, 2018 to July 1, 2018. To the extent new program participation is approved within that extended time frame, greater program costs will be paid out over a subsequent ten years.			DECREASE	DECREASE	DECREASE	DECREASE

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Individual Income Tax							
Act 9 2nd Ex. Session HB 25	Permanently reduces the Citizens Assessment credit to 25% of the assessment paid on insurance policies. The credit is already reduced by 28% through FY18, then was scheduled to return to 100% after that.		\$17,000,000	\$21,200,000	\$33,800,000	\$33,800,000	\$33,800,000
Act 11 2nd Ex. Session HB 50	Imposes a minimum five-year in-state domiciled requirement before gains from a sale of a controlling interest in a business qualifies for deduction from taxable income. The minimum deduction is 50% of the gains climbing to 100% of the gain if held for 30 years or more.		INCREASE	INCREASE	INCREASE	INCREASE	INCREASE
Sales Tax, general							
Act 10 2nd Ex. Session HB 29	Reduces aggregate interest payments on overpayments of tax by starting payments 90 days after the later of the tax return due date, the return filing date, or payment date. Realized as an increase in net tax collections. Composed primarily of corporate tax (75%), sales tax (20%), and severance tax/others(5%). Some small amount accrues to dedications.		\$3,340,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Act 12 2nd Ex. Session HB 51	Returns various transactions to exempt status that were made taxable by measures enacted in the 1st. Ex. Session of 2016. These transactions were of unknown value when made taxable, and remain unknown at the time of this re-activation of their exemption.		DECREASE	DECREASE			
Act 13 2nd Ex. Session HB 53	Expands state sales tax exemption for certain sales at certain public facilities and limits exemptions at other facilities. Allocates portions of proceeds gained to certain entities and localities.		INCREASE DECREASE	INCREASE DECREASE	INCREASE DECREASE	INCREASE DECREASE	INCREASE DECREASE
Severance Tax							
Act 10 2nd Ex. Session HB 29	Reduces aggregate interest payments on overpayments of tax by starting payments 90 days after the later of the tax return due date, the return filing date, or payment date. Realized as an increase in net tax collections. Composed primarily of corporate tax (75%), sales tax (20%), and severance tax/others(5%). Some small amount accrues to dedications.		\$815,000	\$975,000	\$975,000	\$975,000	\$975,000

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DHH Provider Fees							
Act 675 Regular Session HB 922	Authorizes the Department of Health to increase the per bed per day fee charged to nursing facilities.		\$16,900,000	\$16,900,000	\$16,900,000	\$16,900,000	\$16,900,000
Act 305 Regular Session HB 662	Authorizes the Department of Health to establish a provider fee for emergency ground ambulance service providers.		\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
Excise License Tax (Premium Tax)							
Act 1 2nd Ex. Session HB 35	Increases the premium tax on health maintenance organizations from 2.25% to 5.5%, effective for calendar year 2016. Roughly 90% of these receipts will be dedicated to the Medical Assistance Trust Fund.		\$187,000,000	\$124,000,000	\$124,000,000	\$124,000,000	\$124,000,000
Act 7 2nd Ex. Session HB 24	Provides that health maintenance organizations are not subject to the reduction in the investment tax credit against premium tax liabilities that was enacted in Act 10 of 2016 ES1 for FY17 and FY18. The bill provides an opportunity for at least one health maintenance organization to receive a premium tax credit for calendar year 2016. All of the resulting reduction in premium tax receipts would presumably reduce the Medical Assistance Trust Fund.		(\$1,300,000)	(\$1,300,000)			
	Medicaid expansion will increase premium tax collections at the existing 2.25% tax rate, even in the absence of the tax rate increase of HB 35. These receipts will be dedicated to the Medical Assistance Trust Fund		\$23,800,000	\$59,600,000	\$54,500,000	\$60,800,000	\$60,800,000
	Medicaid expansion will increase premium tax collections as a result of the 3.25% tax rate increase of HB 35. These receipts will be dedicated to the Medical Assistance Trust Fund		\$34,500,000	\$86,100,000	\$78,800,000	\$87,800,000	\$87,800,000
Total Adjustments To Major State Tax, License And Fee Estimates		\$0	\$371,380,000	\$403,275,000	\$404,775,000	\$420,075,000	\$420,075,000

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Instrument	Description	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
SESSION ACTIONS - DEDICATIONS							
Sales Tax, Economic Development							
Act 10 2nd Ex. Session HB 29	Reduces aggregate interest payments on overpayments of tax by starting payments 90 days after the later of the tax return due date, the return filing date, or payment date. Realized as an increase in net tax collections. Composed primarily of corporate tax (75%), sales tax (20%), and severance tax/others(5%). Some small amount accrues to dedications.		\$321,540	\$402,010	\$402,010	\$402,010	\$402,010
Parish Severance Tax Allocation							
Act 10 2nd Ex. Session HB 29	Reduces aggregate interest payments on overpayments of tax by starting payments 90 days after the later of the tax return due date, the return filing date, or payment date. Realized as an increase in net tax collections. Composed primarily of corporate tax (75%), sales tax (20%), and severance tax/others(5%). Some small amount accrues to dedications.		\$78,460	\$97,990	\$97,990	\$97,990	\$97,990
Medical Assistance Trust Fund (H08)							
Act 1 2nd Ex. Session HB 35	Increases the premium tax on health maintenance organizations from 2.25% to 5.5%, effective for calendar year 2016. Roughly 90% of these receipts will be dedicated to the Medical Assistance Trust Fund.		\$168,300,000	\$111,600,000	\$111,600,000	\$111,600,000	\$111,600,000
Act 7 2nd Ex. Session HB 24	Provides that health maintenance organizations are not subject to the reduction in the investment tax credit against premium tax liabilities that was enacted in Act 10 of 2016 ES1 for FY17 and FY18. The bill provides an opportunity for at least one health maintenance organization to receive a premium tax credit for calendar year 2016. All of the resulting reduction in premium tax receipts would presumably reduce the Medical Assistance Trust Fund.		(\$1,170,000)	(\$1,170,000)			
	Medicaid expansion will increase premium tax collections at the existing 2.25% tax rate, even in the absence of the tax rate increase of HB 35. These receipts will be dedicated to the Medical Assistance Trust Fund		\$23,800,000	\$59,600,000	\$54,500,000	\$60,800,000	\$60,800,000
	Medicaid expansion will increase premium tax collections as a result of the 3.25% tax rate increase of HB 35. These receipts will be dedicated to the Medical Assistance Trust Fund		\$34,500,000	\$86,100,000	\$78,800,000	\$87,800,000	\$87,800,000
Act 675 Regular Session HB 922	Authorizes the Department of Health to increase the per bed per day fee charged to nursing facilities.		\$16,900,000	\$16,900,000	\$16,900,000	\$16,900,000	\$16,900,000
Act 305 Regular Session HB 662	Authorizes the Department of Health to establish a provider fee for emergency ground ambulance service providers.		\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000
	Adjustments To Dedications of Major State Tax, License, and Fee Estimates	\$0	\$245,230,000	\$276,030,000	\$264,800,000	\$280,100,000	\$280,100,000
	TOTAL ADJUSTMENTS TO OFFICIAL NET AVAILABLE STATE GENERAL FUND-DIRECT REVENUE FORECAST	\$0	\$126,150,000	\$127,245,000	\$139,975,000	\$139,975,000	\$139,975,000