

Regular Session, 2012

HOUSE CONCURRENT RESOLUTION NO. 157

BY REPRESENTATIVE HARRISON

BUDGETARY CONTROLS: Requests various state entities to provide information relative to existing statutory dedications and tax deductions, exclusions, and credits, and to report findings and recommendations to the legislature

1 A CONCURRENT RESOLUTION

2 To authorize and request the state treasurer to coordinate with various state agencies the
3 identification and classification of all statutory dedications, to determine the amount
4 of revenue lost or diverted due to such dedications and all tax exemptions, to gather
5 performance measurers on all nongovernmental entities receiving revenue pursuant
6 to a statutory dedication, to gather economic impact indicators on such tax
7 exemptions, and to provide a report and recommendations to the Louisiana
8 Legislature.

9 WHEREAS, like other states, the state of Louisiana continues to experience a
10 reduction in revenue; and

11 WHEREAS, for Fiscal Year 2011-2012 the state has realized an additional \$219.8
12 million budget deficit in its \$25,590 billion budget and for Fiscal Year 2012-2013 the
13 Revenue Estimating conference has further estimated a revenue reduction of \$303.7 million
14 in its \$25,529 billion budget; and

15 WHEREAS, the state of Louisiana has an estimated three hundred statutory
16 dedications which redirect more than \$3.5 billion away from the state general fund; and

17 WHEREAS, not all revenue subject to statutory dedication is deposited and credited
18 to the Bond Security and Redemption Fund in the Department of Treasury thereby excluding
19 such statutory dedications from being reported in the \$3.5 billion and further excludes them
20 from possible reduction in times of economic hardship; and

1 WHEREAS, while not signaling out any one industry, there is no one state entity
2 which compiles or reports upon the millions of dollars generated by the gaming industry in
3 this state and while this industry is highly regulated, there are statutory dedications which
4 flow outside of the state treasury; hence, are never considered when across-the-board budget
5 cuts affect other statutory dedications equally as worthy of funding; and

6 WHEREAS, once enacted, statutory dedications are seldom reviewed by the
7 legislature so the need for such dedications continue indefinitely and unchecked; and

8 WHEREAS, all tax credits, deductions, exceptions, and exclusions (hereinafter tax
9 exemptions) provide more than \$10 billion in tax breaks; and

10 WHEREAS, most if not all tax exemptions are comprehensively reported on by the
11 Department of Revenue and for the Fiscal Year 2011-2012 the more than \$10 billion of tax
12 exemptions are classified as follows: \$4 billion in sales tax (34.3% of percentage of tax loss),
13 \$3.5 billion in individual income (32.1% of percentage of tax loss), \$1.4 billion in corporate
14 income (88.1% of percentage of tax loss), \$1.2 billion in severance tax (36.1% of percentage
15 of tax loss), \$623 million in petroleum product (1.8% of percentage of tax loss), and \$74
16 million in corporate franchise (10.8% of percentage of tax loss); and

17 WHEREAS, like statutory dedications, once enacted, tax exemptions are seldom
18 reviewed by the legislature so the need or economic return on these tax exemptions go
19 unchecked; and

20 WHEREAS, various state entities such as the Department of Economic
21 Development, Department of Revenue, the Department of Treasury, the Gaming
22 Enforcement Division of the Louisiana State Police, the Louisiana Gaming Control Board,
23 and other state entities have valuable information regarding statutory dedications and tax
24 exemptions.

25 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby
26 urge and request the state treasurer to coordinate the identification and classification of all
27 statutory dedications and tax exemptions, to determine the amount of revenue lost or
28 diverted due to such dedications and exemptions, to gather performance indicators on all
29 nongovernmental entities receiving revenue pursuant to statutory dedications, and to gather

1 economic impact indicators on such tax exemptions, and to make recommendation to the
2 Louisiana Legislature.

3 BE IT FURTHER RESOLVED that all state entities fully cooperate with the state
4 treasurer in the identification of all statutory dedications of revenue generated by any
5 industry under their respective jurisdiction and the identification and classification of any
6 tax exemptions inuring to the benefit of any entity or industry under their respective
7 jurisdiction and to assist in the collection of performance and economic indicators resulting
8 from these dedications and exemptions.

9 BE IT FURTHER RESOLVED that the state treasurer is urged to limit and prioritize
10 his review to one or more classifications of statutory dedications or tax exemptions which
11 can be suitably examined and reported upon to the legislature on or before February 1, 2013,
12 and every other year thereafter to review other classifications of dedications for examination
13 and reporting to the legislature on or before February first of such odd-numbered year until
14 such time as all dedications and exemptions have been reviewed.

15 BE IT FURTHER RESOLVED that the state treasurer shall thereafter develop a
16 schedule for the continuous review of all existing and future statutory dedications and tax
17 exemptions.

18 BE IT FURTHER RESOLVED that a suitable copy of this Resolution be transmitted
19 to the state treasurer.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Harrison

HCR No. 157

Authorizes and requests the state treasurer to coordinate with various state agencies the identification and classification of all statutory dedications, to determine the amount of revenue lost or diverted due to such dedications and all tax exemptions, to gather performance measurers on all nongovernmental entities receiving revenue pursuant to a statutory dedication, to gather economic impact indicators on such tax exemptions, and to provide a report and recommendations to the La. Legislature.