

2016 Regular Session

SENATE CONCURRENT RESOLUTION NO. 125

BY SENATOR MORRELL

LEGIS POWERS/FUNCTIONS. Requests the Department of Economic Development provide certain data regarding the award of tax incentives to the Legislature.

1 A CONCURRENT RESOLUTION

2 To urge and request the Department of Economic Development to notify the Legislature
3 when a tax incentive certification of one million dollars or more is granted under any
4 Department of Economic Development managed tax incentive program.

5 WHEREAS, the Department of Economic Development manages over twenty state
6 tax incentive programs that result in over four hundred million dollars of tax credits, rebates,
7 and other tax expenditures (collectively referred to as "tax incentives") annually; and

8 WHEREAS, these tax incentives are managed and granted through a variety of
9 mechanisms that may include long term contracts, pre-certifications, and multiple
10 certifications; and

11 WHEREAS, many of these tax incentives are monetized through the Louisiana
12 Department of Revenue; and

13 WHEREAS, there is no single mechanism for monetizing these tax incentives and
14 the statute granting the incentive may provide for a rebate, a non-refundable tax credit with
15 a carryforward period or structured claiming period, a refundable tax credit, a transferable
16 tax credit with a five to ten-year carryforward period, or some other mechanism; and

17 WHEREAS, the variety of mechanisms for granting and monetizing these incentives
18 provides for significant uncertainty as to the annual and total state tax exposure related to

1 these tax incentives; and

2 WHEREAS, the tax incentives approved by the Department of Economic
3 Development result in tax collection reductions that occur prior to the appropriations
4 process; and

5 WHEREAS, this uncertainty has a significant impact on the estimation of state
6 general fund revenue.

7 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby
8 urge and request the Department of Economic Development to notify the Senate Committee
9 on Revenue and Fiscal Affairs, the House Committee on Ways and Means, the Division of
10 Administration, and the Legislative Fiscal Office within fifteen days of the date that an
11 initial, interim, or final certification is granted under any Department of Economic
12 Development managed tax incentive program that may result in a state tax expenditure or
13 rebate of one million dollars or more.

14 BE IT FURTHER RESOLVED that the secretary of the Department of Economic
15 Development and the secretary of the Department of Revenue shall work cooperatively to
16 develop and implement a monitoring system for tax incentives granted pursuant to each
17 Department of Economic Development managed program that will provide for greater
18 certainty regarding the remaining state tax exposure related to each program.

19 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
20 secretary of the Department of Economic Development and the secretary of the Department
21 of Revenue.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Leonore Heavey.

DIGEST

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Requests Department of Economic Development to notify the legislature when a tax incentive of one million dollars or more is granted. Requests departments of economic development and revenue to work cooperatively to develop a tracking system for certain tax incentives.