SLS 18RS-325

ORIGINAL

2018 Regular Session

SENATE CONCURRENT RESOLUTION NO. 7

BY SENATOR MORRELL

JOINT RULES. Requires that all legislative instruments creating tax preferences include a sunset date.

1	A CONCURRENT RESOLUTION
2	To adopt Joint Rule 21 of the Joint Rules of Order of the Senate and House of
3	Representatives, relative to legislative instruments that enact or amend tax
4	preferences; to require that all legislative instruments enacting or amending tax
5	preferences include a sunset date, a cost-benefit analysis requirement, and a stated
6	policy goal.
7	BE IT RESOLVED that the Legislature of Louisiana adopts Joint Rule 21 of the
8	Joint Rules of Order of the Senate and House of Representatives to read as follows:
9	Joint Rule No. 21. Tax preference instruments; required elements
10	A. In order to control the growth of tax preferences, to insure that the
11	economic benefit provided by a tax preference is commensurate with its cost,
12	to assist in the evaluation of the effectiveness of tax preferences, the legislature
13	does adopt this Joint Rule.
14	(1) Any legislative instrument that enacts a new tax preference or that
15	amends an existing tax preference shall include a sunset provision of two, four,
16	or six years after which no additional tax preference can be earned.
17	(2) Any legislative instrument that enacts a new tax preference or that

Page 1 of 2 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

1	amends an existing tax preference shall include a provision that requires an
2	evaluation of the tax preference before it is extended to determine if the
3	economic benefit realized from the tax preference outweighs the loss of revenue
4	incurred by the state as a result of the tax preference.
5	(3) Any legislative instrument enacting a new tax preference or
6	amending an existing tax preference shall include a provision that clearly sets
7	forth the purpose and policy goals of the tax preference.
8	B. "Tax preference" means a credit, discount, exclusion, exemption,
9	deduction, reduction, rebate, refund, special valuation, special accounting
10	treatment, special rate, or special method of reporting authorized by state law
11	that relates to a tax imposed by this state.
12	C. Legislative instruments that either enact a new tax preference or
13	amend an existing tax preference shall only be advanced to third reading and
14	<u>final passage if they meet the requirements in Paragraph A of this Joint Rule.</u>

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

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<u>Proposed joint rule</u> provides that all legislative instruments enacting a new tax preference or amending an existing tax preference shall:

- (1) Provide for either a two, four, or six year sunset date.
- (2) Include a provision that will require a review of the value of the tax preference before it can be extended.
- (3) Include a provision setting forth the purpose and policy goals of the tax preference.

<u>Proposed joint rule</u> defines tax preference as a credit, discount, exclusion, exemption, deduction, reduction, rebate, refund, special valuation, special accounting treatment, special rate, or special method of reporting authorized by state law that relates to a tax imposed by this state.

(Adds Jt. Rule No. 21)