



Representative Phillip DeVillier  
Chairman

Representative Beau Beullieu  
Vice Chairman

# Ways and Means Subcommittee on State Tax Structure

## Fiscal Update

*Prepared by the House Fiscal Division*

January 31, 2023

# FISCAL UPDATE

- December 15, 2022 - Revenue Estimating Conference
  - Revised FY 23 official revenue forecast
  - Established FY 24 official revenue forecast
- January 20, 2023 - Joint Legislative Committee on the Budget (JLCB)
  - Certified the prior year surplus figure
  - Presented fiscal status statement and five-year base line budget projection
- January 30, 2023 to February 5, 2023 - 2023 First Extraordinary Session
  - Department of Insurance's Insure Louisiana Incentive Program
- February 17, 2023 - tentative JLCB meeting
  - Governor's executive budget presented
- April 10, 2023 to June 8, 2023 - 2023 Regular Session
- July 1, 2023 - First day of Fiscal Year 2024

# STATE FISCAL YEAR

- The state fiscal year runs from July 1st to June 30th
- Currently in Fiscal Year 2022-2023 or FY 23
- The current operating budget was adopted during the 2022 Regular Session
- Typically a supplemental appropriations bill will be filed to amend the current operating budget during the 2023 Regular Session
  - In a deficit situation, this bill would make reductions to agency current year operating budgets to bring expenditures into line with revenues
  - In a year with recognized excess funds, this bill would be used to appropriate the additional recognized revenues
- The legislature will adopt budget bills for FY 24 during the 2023 Regular Session

# SURPLUS VS EXCESS

## Surplus

- From prior year (closing the books)
- Non-recurring money
- Amount of state general fund remaining once a fiscal year is over and all closeout activities are finished
- Constitutionally can only be spent on six items

## Excess

- In current year
- Recurring money
- REC raises forecast above what was appropriated for the current fiscal year
- State general fund can only be utilized during session by legislative instruments, typically in a supplemental appropriation bill
- Is not restricted constitutionally to six items

# SURPLUS - USE OF NON-RECURRING FUNDS

**La. Const. Art. VII, Sec. 10: appropriations of money in the official forecast designated as non-recurring shall be made only for:**

1. Deposit into the Budget Stabilization Fund (25% required)
2. Payments against the state retirement systems' initial unfunded accrued liability (10% required)
3. Retiring or the defeasance of bonds
4. Funding for capital outlay projects in the comprehensive state capital budget
5. New highway construction for which federal matching funds are available
6. Deposit into the Coastal Protection and Restoration Fund

# FY 22 SURPLUS - \$726.5 M

## **\$254.3 M required for two items:**

- \$181.6 M - Budget Stabilization Fund (Rainy Day) - 25% requirement
- \$ 72.7 M - TRSL and LASERS IUAL Payments - 10% requirement

## **Remaining \$472.2 M can be used on any of the six eligible options:**

- Deposit into Budget Stabilization Fund (Rainy Day)
  - Unfunded Accrued Liability payments
  - Retiring or the defeasance of bonds
  - Funding for capital outlay projects in the comprehensive state capital budget
  - New highway construction for which federal matching funds are available
  - Deposit into the Coastal Protection and Restoration Fund
- These funds are typically included in a capital outlay bill, supplemental bill, and funds bill

# FY 23 EXCESS - \$928.5 M

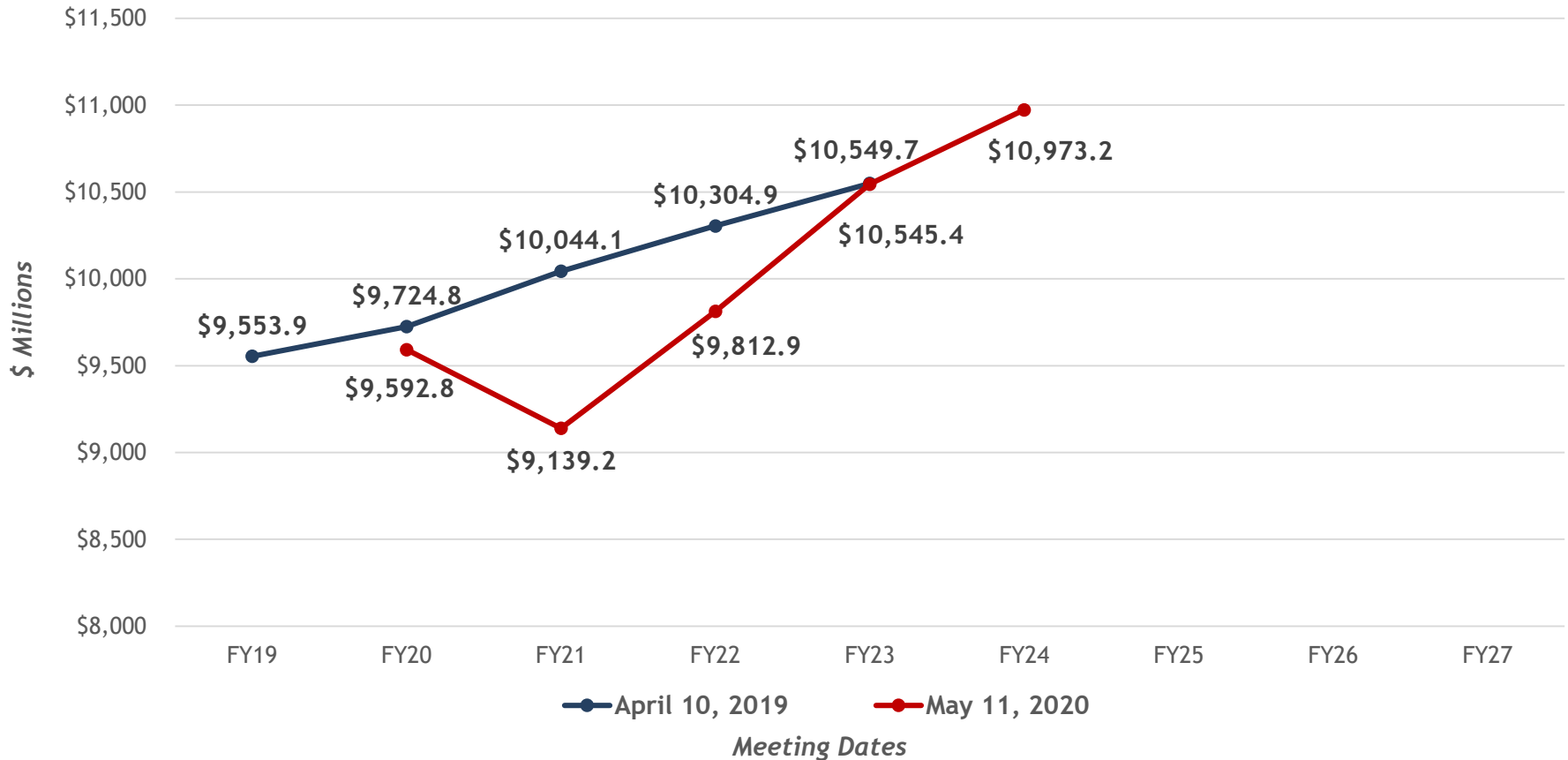
- Revenue Estimating Conference met December 15, 2022 and revised the FY 23 state general fund forecast and established the FY 24 forecast:

State General Fund	May 9, 2022 Official Forecast	December 15, 2022 Official Forecast	Dollar Change	Percent Change
FY 24	\$10,834.1 B Estimate	\$11,442.1 B Estimate	+ 608.0 Additional Exe. Bud. \$	+ 5.6%
FY 23	\$11,039.8 B Estimate	\$11,964.7 B Estimate	+ \$924.9 M Contributes to Excess	+ 8.4%
FY 22	\$11,084.7 B Estimate	\$11,734.9 B Actual	+ \$650.2 M Contributes to Surplus	+ 5.9%

- 2023 First Extraordinary Session source of funding for the Dept. of Insurance's Insure Louisiana Incentive Program is the \$928.5 M in FY 23 excess dollars

# REVENUE ESTIMATING CONFERENCE

## State General Fund outlook pre-pandemic vs initial forecast into pandemic



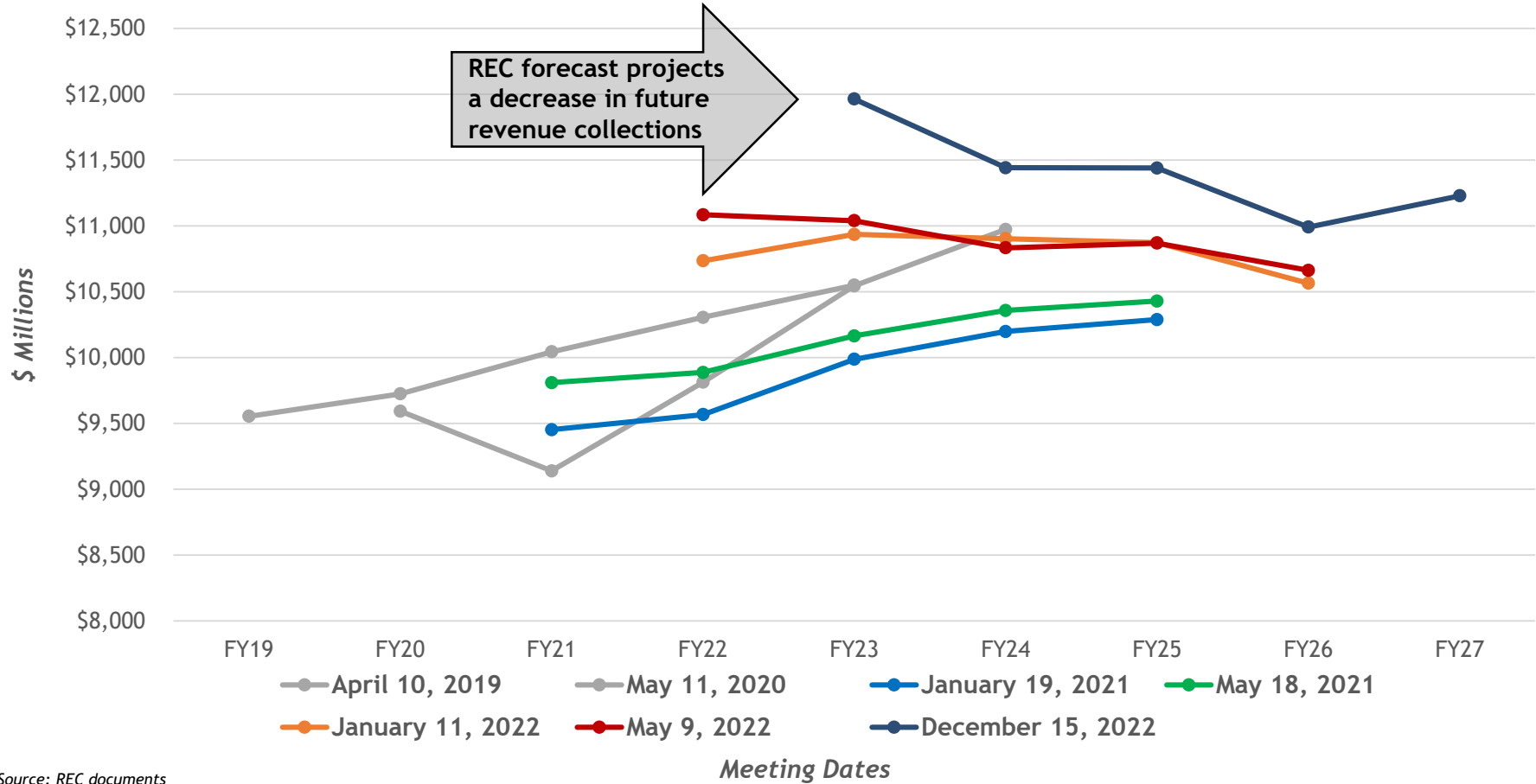
Source: REC documents

Note: FY 21 does not include the \$90.1M used from the Budget Stabilization Fund



# REVENUE ESTIMATING CONFERENCE

## Adopted State General Fund Forecasts

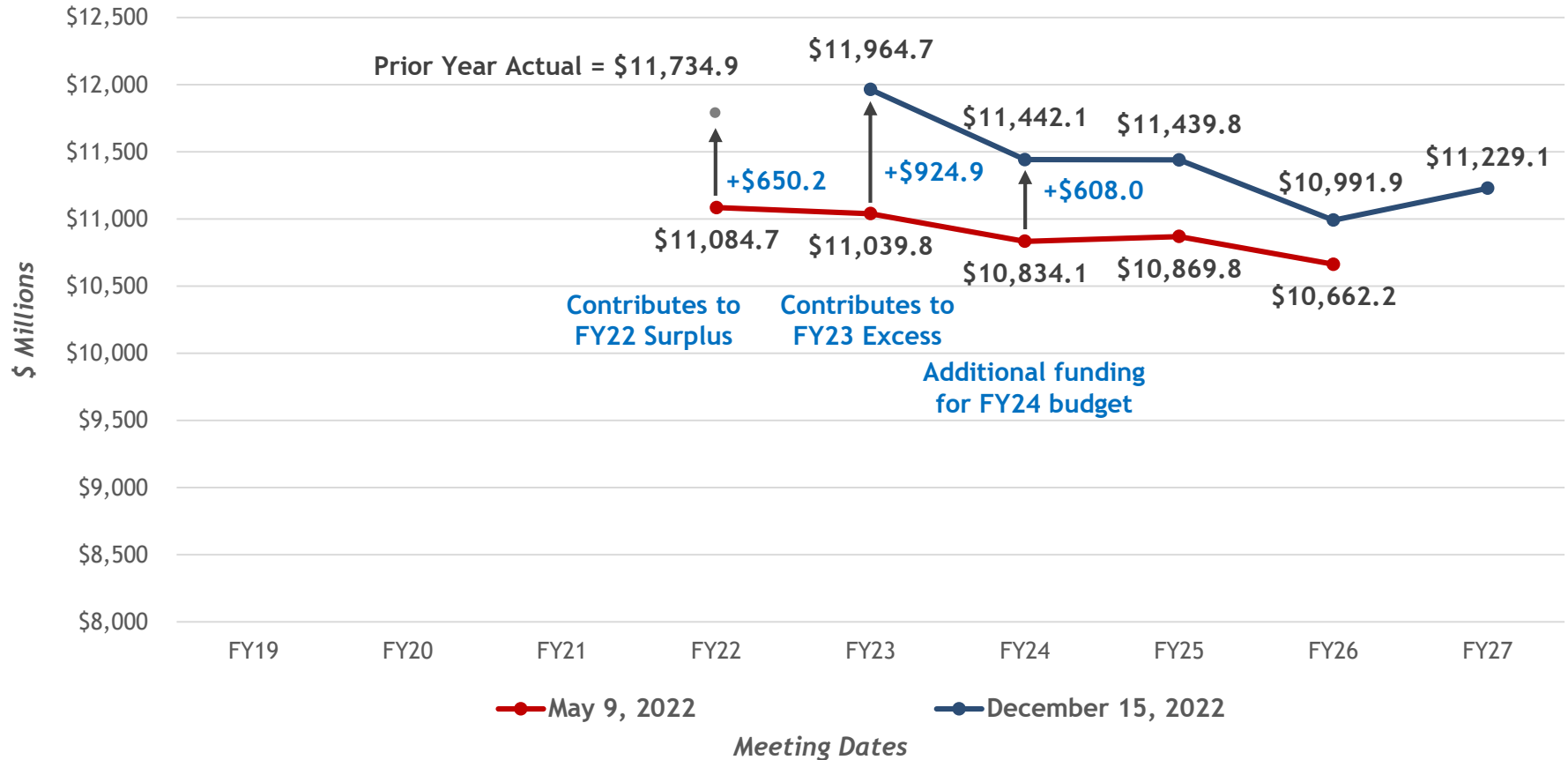


Source: REC documents

Note: FY 21 does not include the \$90.1M used from the Budget Stabilization Fund

# REVENUE ESTIMATING CONFERENCE

## State General Fund change of the most recent forecast



# CONTINUATION

- Prepared by Office of Planning and Budget (Division of Administration)
- Submitted to Joint Legislative Committee on the Budget at the first meeting after January 1st of each year
- Shows funding necessary to carry on all existing programs and functions at the current level of service in the ensuing fiscal year
- Includes any adjustments necessary to account for the increased cost of services or materials due to inflation and estimated increases in workload requirements resulting from demographic or other changes
- Examples of continuation items include:
  - MFP Adjustments
  - TOPS Adjustments
  - Retirement
  - Inflation
  - Debt Service
  - Workload Adjustments

# CURRENT FIVE-YEAR BASE LINE PROJECTION

## State General Fund Summary Based on REC Forecast and Continuation Expenditures

	Official Current Fiscal Year 2022-2023	Ensuing Fiscal Year 2023-2024	Projected Fiscal Year 2024-2025	Projected Fiscal Year 2025-2026	Projected Fiscal Year 2026-2027
<b>REVENUES:</b>					
REC Revenues ( <i>official forecast</i> )	\$ 11,964,700,000	\$ 11,442,100,000	\$ 11,439,800,000	\$ 10,991,900,000	\$ 11,229,100,000
Annual REC \$ Change		(522,600,000)	(2,300,000)	(447,900,000)	237,200,000
Annual REC % Change		(4.37%)	(0.02%)	(3.92%)	2.16%
Other Revenues ( <i>carryforward balances</i> )	404,874,737	0	0	0	0
<b>Total Revenues</b>	<b>12,369,574,737</b>	<b>11,442,100,000</b>	<b>11,439,800,000</b>	<b>10,991,900,000</b>	<b>11,229,100,000</b>
<b>EXPENDITURES:</b>					
Adjusted Expenditures ( <i>less carryforwards</i> )	10,865,656,371	11,615,677,112	11,617,586,988	11,904,949,310	12,137,323,075
Annual Adj. Exp. \$ Change		750,020,741	1,909,876	287,362,322	232,373,765
Annual Adj. Exp. % Change		6.90%	0.02%	2.47%	1.95%
Other Exp. ( <i>CF's, Supplemental &amp; Funds Bills</i> )	575,374,737	0	0	0	0
<b>Total Expenditures</b>	<b>11,441,031,108</b>	<b>11,615,677,112</b>	<b>11,617,586,988</b>	<b>11,904,949,310</b>	<b>12,137,323,075</b>
<b>PROJECTED BALANCE</b>	<b>\$ 928,543,629</b>	<b>\$ (173,577,112)</b>	<b>\$ (177,786,988)</b>	<b>\$ (913,049,310)</b>	<b>\$ (908,223,075)</b>

Source: DOA Five-Year Baseline Projection presented to JLCB on 11/20/23; Revenue Estimating Conference forecast adopted on 12/15/22

# CURRENT FIVE-YEAR BASE LINE PROJECTION

## State General Fund Summary Based on REC Forecast

### Revenues

Revenue Estimating Conference REC REVENUES:	Official Current Fiscal Year 2022-2023	Projected Fiscal Year 2023-2024	Projected Fiscal Year 2024-2025	Projected Fiscal Year 2025-2026	Projected Fiscal Year 2026-2027
Corporate Franchise and Income	\$ 813,700,000	\$ 569,600,000	\$ 583,800,000	\$ 598,400,000	\$ 613,400,000
Individual Income	4,510,500,000	4,486,100,000	4,484,800,000	4,685,700,000	4,788,800,000
Sales, General, and Motor Vehicle	4,936,100,000	4,717,400,000	4,825,500,000	4,221,000,000	4,316,300,000
Mineral Revenues	826,700,000	737,700,000	627,600,000	615,500,000	594,500,000
Gaming Revenues	994,800,000	954,200,000	969,900,000	986,100,000	1,002,600,000
Other	3,126,700,000	2,996,100,000	3,053,800,000	3,001,900,000	3,052,500,000
<b>Total Taxes, Licenses, and Fees</b>	<b>15,208,500,000</b>	<b>14,461,100,000</b>	<b>14,545,400,000</b>	<b>14,108,600,000</b>	<b>14,368,100,000</b>
<b>Less Dedications</b>	<b>(3,243,800,000)</b>	<b>(3,019,000,000)</b>	<b>(3,105,600,000)</b>	<b>(3,116,700,000)</b>	<b>(3,139,000,000)</b>
<b>Total Revenues</b>	<b>11,964,700,000</b>	<b>11,442,100,000</b>	<b>11,439,800,000</b>	<b>10,991,900,000</b>	<b>11,229,100,000</b>
Annual REC \$ Change		(522,600,000)	(2,300,000)	(447,900,000)	237,200,000
Annual REC % Change		(4.37%)	(0.02%)	(3.92%)	2.16%
Oil Price	89.97	79.43	72.88	71.42	70.64

Source: Revenue Estimating Conference forecast adopted on 12/15/22

# REVENUE ESTIMATING CONFERENCE

OFFICIAL FORECAST  
ADOPTED 12/15/22 *ng*

## Schedule A

### REVENUE ESTIMATING CONFERENCE FISCAL YEAR 23 FORECAST (In Million \$)

REVENUE SOURCE / DEDICATIONS	Actual Collections FY22	Official Forecast 5/9/2022	Proposed DGA Forecast 12/15/2022	ADOPTED REVENUE		DOA +/- Official Forecast	LFO +/- Official Forecast
				Proposed LFO Forecast 12/15/2022	DOA +/- Official Forecast		
Alcoholic Beverage	42.1	39.0	41.0	42.1	42.1	2.0	3.1
Beer	37.7	38.5	38.5	37.7	37.7	-	(0.8)
Corporate Franchise	350.5	-	-	-	-	-	-
Corporate Income	1,051.6	-	-	-	-	-	-
<i>Total Corp Fran. &amp; Inc.</i>	1,402.1	650.0	800.0	813.7	150.0	163.7	-
Gasoline & Special Fuels	621.2	616.3	622.4	610.1	6.1	(6.2)	(0.6)
Hazardous Waste	2.4	2.6	2.3	2.0	(0.3)	-	-
Individual Income	4,556.1	4,325.1	4,656.7	4,510.5	331.6	185.4	(0.2)
Natural Gas Franchise	0.7	0.7	0.7	0.5	0.0	(0.2)	0.2
Public Utilities	7.4	7.6	7.6	7.8	(0.0)	-	2.1
Auto Rental Excise	7.7	6.0	6.0	8.1	-	-	381.7
Sales Tax - General	4,406.4	4,002.7	4,504.3	4,364.4	501.6	183.5	3.0
Severance	511.4	420.0	720.0	603.5	300.0	(30.2)	0.9
Supervision/Inspection Fee	10.6	8.7	8.7	11.7	-	-	-
Tobacco	267.0	275.8	261.9	245.6	(13.8)	-	-
Unclaimed Property	15.0	15.0	15.0	15.0	-	-	-
Miscellaneous Receipts	7.1	6.3	6.3	7.1	0.0	-	-
<b>Total-Dept. of Revenue</b>	<b>11,894.8</b>	<b>10,414.2</b>	<b>11,691.4</b>	<b>11,299.8</b>	<b>1,277.2</b>	<b>885.6</b>	-
Royalties	186.5	120.0	180.0	213.8	60.0	93.8	0.3
Rentals	3.0	1.6	1.6	1.9	0.0	0.3	3.5
Bonuses	5.1	4.0	2.0	7.5	(2.0)	-	1.8
Mineral Interest	3.3	0.5	0.5	2.3	-	-	-
<b>Total-Natural Res.</b>	<b>198.0</b>	<b>126.1</b>	<b>184.1</b>	<b>225.5</b>	<b>58.0</b>	<b>99.4</b>	-
Interest Earnings (SGF)	28.9	20.0	45.0	35.8	25.0	15.8	0.5
Interest Earnings (TIF)	0.4	0.2	1.0	0.7	0.8	-	2.8
VAR/INA/Loop Leases/LA1 Toll	198.0	197.6	189.2	200.4	(8.4)	-	2.0
Agency SGR Over-collections	31.5	23.0	22.0	25.0	(1.0)	-	-
Bond Remits / Traditional & GOZ	10.1	9.2	9.2	9.2	0.0	-	15.3
Quality Ed. Support Fund	34.8	20.0	35.0	35.3	15.0	-	12.3
Lottery Proceeds	208.1	191.5	203.5	203.8	12.0	-	-
Lottery Sports Wagering	-	-	-	-	-	-	-
Land-based Casino	74.5	78.4	78.4	78.4	-	-	18.1
Tobacco Settlement	127.5	112.7	112.1	130.8	(0.5)	-	0.0
DJH Provider Fees	141.9	142.8	141.4	142.8	(1.3)	-	-
<b>Total Treasury</b>	<b>855.6</b>	<b>795.3</b>	<b>836.9</b>	<b>862.2</b>	<b>41.6</b>	<b>66.9</b>	-
Excise License	1,127.0	1,069.2	1,328.2	1,320.3	259.0	251.1	1.5
Ins. Rating Fees (SGF)	77.1	76.9	79.6	78.4	2.6	-	-
<b>Total-Insurance</b>	<b>1,204.1</b>	<b>1,146.1</b>	<b>1,407.7</b>	<b>1,398.7</b>	<b>261.6</b>	<b>252.6</b>	-
Misc. DPS Permits	14.0	10.0	8.0	10.0	(2.0)	-	(0.8)
Titles	21.8	21.0	20.0	20.2	(1.0)	-	4.3
Vehicle Licenses	132.1	123.6	123.0	127.9	(0.6)	-	7.8
Vehicle Sales Tax	564.4	543.9	544.5	551.7	0.6	-	8.1
Riverboat Gaming	391.9	374.0	360.0	382.1	(14.0)	-	2.3
Race-track slots	49.9	45.0	41.0	47.3	(4.0)	-	22.0
Fantasy Sports Wager	0.2	0.1	0.1	0.1	-	-	-
Sports Wagering	14.1	8.0	20.0	30.0	12.0	-	23.1
Video Draw Poker	261.5	230.0	235.0	253.1	5.0	-	-
<b>Total-Public Safety</b>	<b>1,449.9</b>	<b>1,355.6</b>	<b>1,351.5</b>	<b>1,422.4</b>	<b>(4.0)</b>	<b>66.8</b>	-
<b>Total Taxes, Lic., Fees</b>	<b>15,602.4</b>	<b>13,837.2</b>	<b>15,471.7</b>	<b>15,208.5</b>	<b>1,634.5</b>	<b>1,371.3</b>	-
<i>Less: NOW Waiver Fund Allocation</i>	<i>(3,417.3)</i>	<i>(2,797.4)</i>	<i>(3,225.2)</i>	<i>(3,193.8)</i>	<i>(431.8)</i>	<i>(396.4)</i>	-
<i>Less: NOW Waiver Fund Allocation</i>	<i>(50.0)</i>	<i>(50.0)</i>	<i>(50.0)</i>	<i>(50.0)</i>	-	-	-
<b>STATE GENERAL FUND REVENUE - DIRECT</b>	<b>11,734.9</b>	<b>11,039.8</b>	<b>12,192.5</b>	<b>11,964.7</b>	<b>1,152.7</b>	<b>924.9</b>	-
Oil Price per barrel		\$87.06	\$89.03	\$89.97	\$1.97	\$2.91	-

- Page 1 of the latest adopted REC forecast shows:
  - Taxes, Licenses, and Fees (TLF) or gross state general revenue
  - State General Fund Direct (SGF) or net state general fund revenue
- Monies spent through the tax code in the form of credits, exemptions, deductions, exclusions, and rebates are paid out of current tax collections at the DOR level so these amounts are not included in the calculation of TLF by the REC

# TAX EXEMPTION BUDGET



Home   Laws   Bills   Sessions   House   Senate

2022 REGULAR SESSION

**HB1** by Representative **Jerome Zeringue**

APPROPRIATIONS: Provides for the ordinary operating expenses of state government for Fiscal Year 2022-2023

Current Status: Signed by the Governor - Act 199

Text ▾ Amendments ▾ Digests ▾ Votes ▾ Other ▾ Authors ▾

Date	Chamber	Journal Page	Action
06/06	H		Effective date: 07/01/2022
06/02	S	1	Veto message from the Senate
06/02	H	2	Veto message received from the House
06/01	H		Signed by the Governor
05/20	H		Sent to the Governor for signature
05/23	S	44	Signed by the President of the Senate
05/20	H		Enrolled and signed by the Speaker of the House.

HB1 Veto Message

HRULE 7.19 HB1 Reengrossed with Sen Amendments

HRULE 7.19 HB1 Engrossed

**5 year revenue loss TEB2021 HB1 Original**

Addendum to HB1 Original

Salary Appendix HB1 Original

JAL Retirement HB1 Original

## Five-Year Revenue Loss

## Summary of All Taxes

Tax Type (Listed in order of magnitude by FYE 6-21)	FYE 6-19	FYE 6-20	FYE 6-21	FYE 6-22 (projected)	FYE 6-23 (projected)
1. Sales Tax <sup>1</sup>	\$ 2,357,976,983	\$ 2,350,520,386	\$ 2,391,259,339	\$ 2,333,087,000	\$ 2,390,832,000
2. Income Tax - Individual <sup>2</sup>	1,820,917,879	1,767,031,635	2,082,508,476	1,903,781,000	1,568,860,000
3. Income Tax - Corporation <sup>3</sup>	1,108,037,501	1,204,568,060	1,083,965,960	1,133,845,000	1,107,528,000
4. Tax Incentive and Exemption Contracts <sup>4</sup>	417,310,970	333,941,531	458,146,542	491,133,000	552,907,000
5. Petroleum Products Tax	275,458,219	275,001,972	260,865,786	308,779,000	319,972,000
6. Natural Resources - Severance Tax	257,710,039	247,065,794	244,850,056	192,033,000	192,791,000
7. Corporation Franchise Tax <sup>5</sup>	145,545,615	166,309,809	154,024,120	175,533,000	169,905,000
8. Tobacco Tax	166,134,740	169,586,953	150,504,744	117,855,000	113,901,000
9. Fiduciary Income Tax <sup>6</sup>	12,413,414	14,135,747	28,227,373	37,921,000	27,050,000
10. Liquors - Alcoholic Beverage Tax	3,150,297	4,781,179	7,030,291	7,203,000	7,774,000
11. Public Utilities and Carriers Taxes <sup>6,7</sup>	2,351,057	2,191,404	1,395,923	2,360,000	2,030,000
12. Telecommunication Tax for the Deaf <sup>7</sup>	71,580	71,825	76,257	76,000	78,000
13. Oil Spill Contingency Fee <sup>8</sup>	39,736	36,332	24,868	25,000	22,000
14. Hazardous Waste Disposal Tax <sup>9</sup>	14,608	Negligible	Negligible	11,000	10,000
15. Industrial Hemp-Derived CBD Tax <sup>9</sup>	***	NR	NR	NR	NR
<b>Total Tax Revenue Loss</b>	<b>\$ 6,567,132,638</b>	<b>\$6,535,242,627</b>	<b>\$ 6,862,879,735</b>	<b>\$ 6,703,642,000</b>	<b>\$6,453,660,000</b>

- R.S. 39:51(F) requires the Five-Year Revenue Loss chart from the most recent Tax Exemption Budget prepared by the Dept. of Revenue shall be an appendix to the General Appropriation Bill

# INCENTIVE EXPENDITURE FORECAST IN HB1

HB NO. 1 ENROLLED

1	Statutory Dedications:		
2	Automobile Theft and Insurance Fraud		
3	Prevention Authority Fund	\$ 227,000	\$ 0
4	Insurance Fraud Investigation Fund	\$ 709,271	\$ 0
5	Federal Funds	\$ 717,475	\$ 802,343
6	<b>TOTAL MEANS OF FINANCING</b>	<b>\$ 34,424,047</b>	<b>\$ 36,411,309</b>
7	<b>BY EXPENDITURE CATEGORY:</b>		
8	Personal Services	\$ 24,429,158	\$ 26,351,374
9	Operating Expenses	\$ 3,014,582	\$ 3,010,982
10	Professional Services	\$ 4,356,387	\$ 4,263,446
11	Other Charges	\$ 1,977,080	\$ 2,137,815
12	Acquisitions/Major Repairs	\$ 646,840	\$ 647,692
13	<b>TOTAL BY EXPENDITURE CATEGORY</b>	<b>\$ 34,424,047</b>	<b>\$ 36,411,309</b>
14	Payable out of Federal Funds to the		
15	Administrative/Fiscal Program for the Senior Health		
16	Insurance Information Program	\$	393,328

**SCHEDULE 05**

**DEPARTMENT OF ECONOMIC DEVELOPMENT**

**INCENTIVE EXPENDITURE FORECAST**

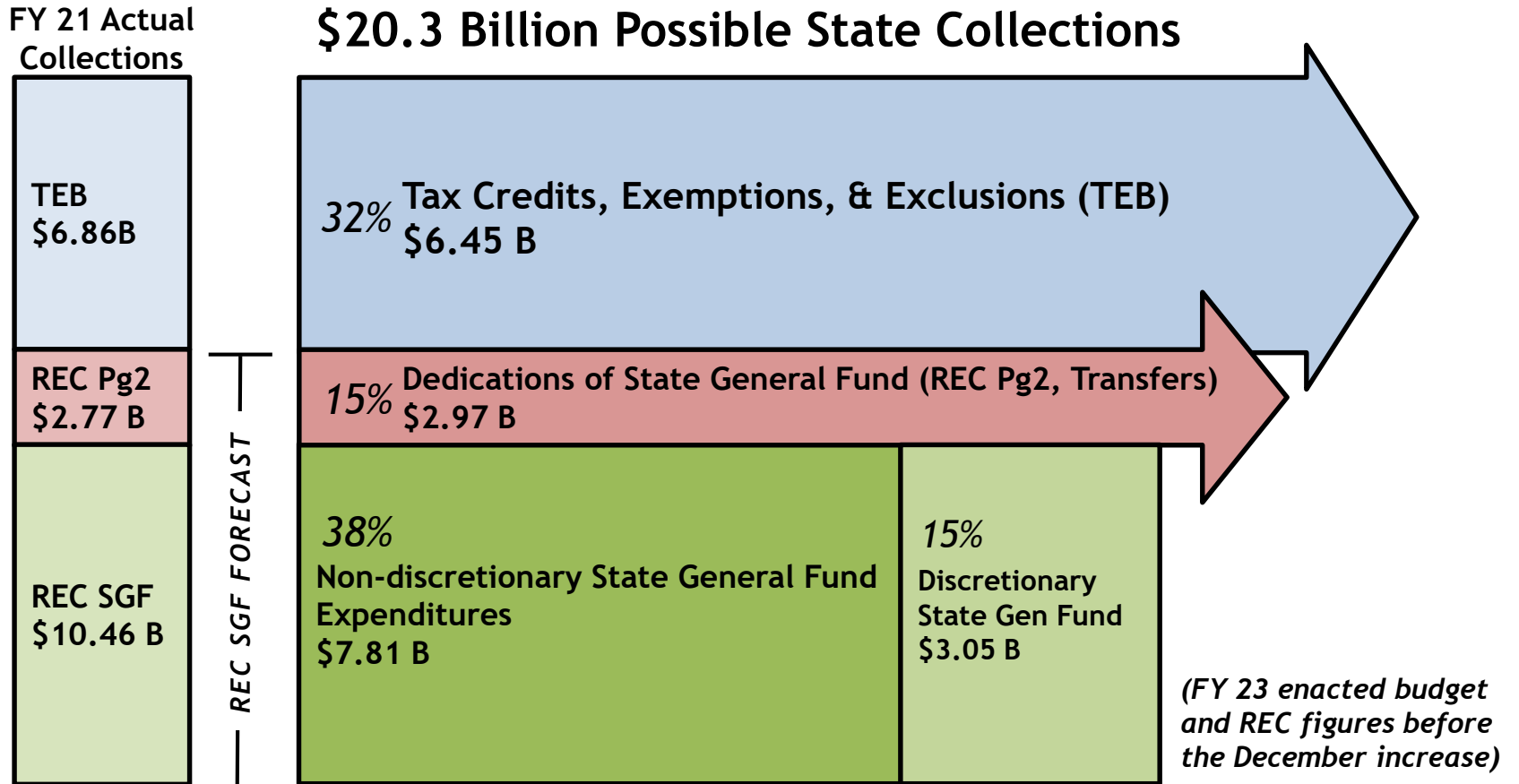
In accordance with Act 401 of the 2017 Regular Legislative Session, below is the listing of the incentive expenditure programs due to the most recent Revenue Estimating Conference (REC) forecast. This department administers the following incentive expenditure programs:

INCENTIVE EXPENDITURES:	<u>AUTHORITY</u>	<u>FORECAST</u>
Louisiana Community Economic Development Act	R.S. 47:6031	Not in Effect
Ports of Louisiana Tax Credits	R.S. 47:6036	\$ 0
Motion Picture Investor Tax Credit	R.S. 47:6007	\$ 180,000,000
Research and Development Tax Credit	R.S. 47:6015	\$ 6,500,000
Digital Interactive Media and Software Act	R.S. 47:6022	\$ 83,042,000
Louisiana Motion Picture Incentive Act	R.S. 47:1121	Not in Effect
New Markets Tax Credit	R.S. 47:6016	Unable to Anticipate
University Research and Development Parks	R.S. 17:3389	Not in Effect
Industrial Tax Equalization Program	R.S. 47:3201	\$ 5,540,000
	R.S. 47:3205	
Exemptions for Manufacturing Establishments	R.S. 47:4301	\$ 0
	R.S. 47:4306	
Louisiana Enterprise Zone Act	R.S. 51:1781	\$ 38,700,000
Sound Recording Investor Tax Credit	R.S. 47:6023	\$ 75,000
Urban Revitalization Tax Incentive Program	R.S. 51:1801	Not in Effect
Technology Commercialization Credit and		
Jobs Program	R.S. 51:2351	Not in Effect
Angel Investor Tax Credit Program	R.S. 47:6020	\$ 3,050,000
Musical and Theatrical Productions Income		
Tax Credit	R.S. 47:6034	\$ 3,500,000
Retention and Modernization Act	R.S. 51:2399.1	\$ 7,500,000
	- R.S. 51:2399.6	
Tax Credit for Green Jobs Industries	R.S. 47:6037	Not in Effect
Louisiana Quality Jobs Program Act	R.S. 51:2451	\$ 155,000,000
Corporate Headquarters Relocation Program	R.S. 51:3111	Not in Effect
Competitive Projects Payroll Incentive Program	R.S. 51:3121	\$ 0

- Section 5(E) of the preamble in the general appropriation bill states that the incentive programs, expenditures, and benefits contained in this Act are provided in accordance with R.S. 39:51(A)(2) and are not included as, nor counted towards, the operating expenses of the department, agency, or authority



# FY 23 PROJECTED FUND FLOW

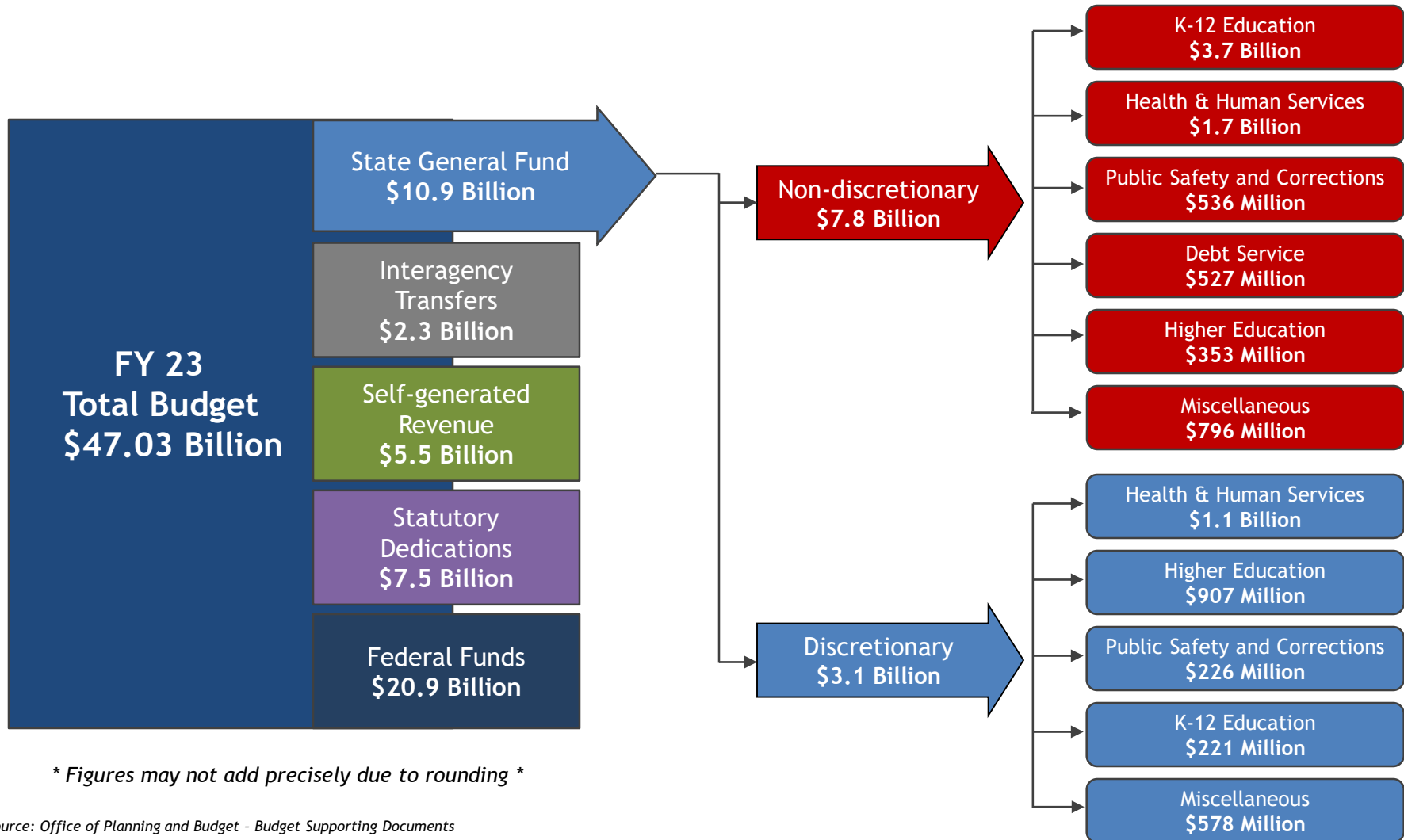


Source: 2021-2022 Tax Exemption Budget and Revenue Estimating Conference adopted forecast May 9, 2022; Office of Planning and Budget Discretionary Funding Report

\* Figures may not add precisely due to rounding \*

# DISCRETIONARY EXPENSES

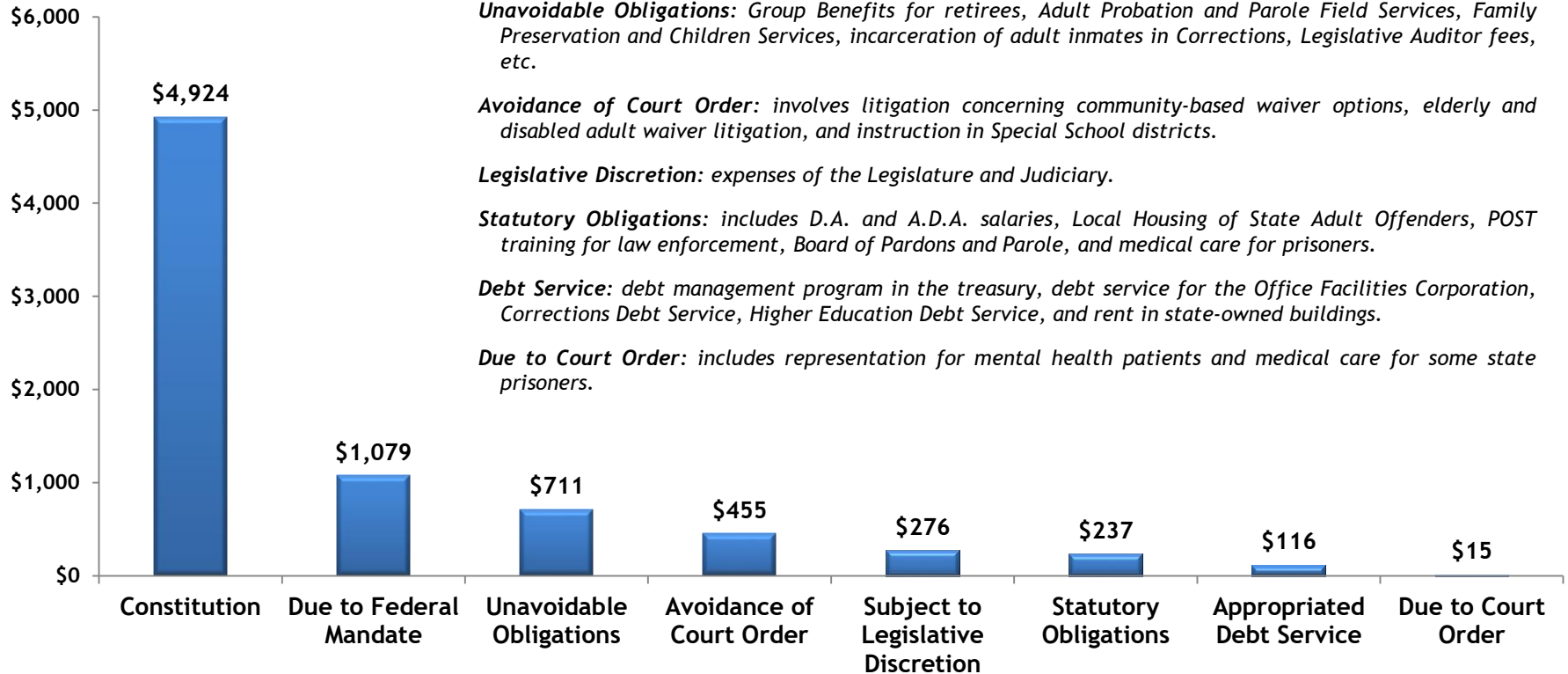
(FY 23 Enacted)



\* Figures may not add precisely due to rounding \*

# NON-DISCRETIONARY SGF

(FY 23 Enacted)



**Constitution:** Minimum Foundation Program, General Obligation Debt Service, Revenue Sharing, elections costs and ballot printing, salaries of statewide elected officials, Unfunded Accrued Liability payments, etc.

**Federal Mandate:** mandatory Medicaid services and Safe Drinking Water Act inspections.

**Unavoidable Obligations:** Group Benefits for retirees, Adult Probation and Parole Field Services, Family Preservation and Children Services, incarceration of adult inmates in Corrections, Legislative Auditor fees, etc.

**Avoidance of Court Order:** involves litigation concerning community-based waiver options, elderly and disabled adult waiver litigation, and instruction in Special School districts.


**Legislative Discretion:** expenses of the Legislature and Judiciary.

**Statutory Obligations:** includes D.A. and A.D.A. salaries, Local Housing of State Adult Offenders, POST training for law enforcement, Board of Pardons and Parole, and medical care for prisoners.

**Debt Service:** debt management program in the treasury, debt service for the Office Facilities Corporation, Corrections Debt Service, Higher Education Debt Service, and rent in state-owned buildings.

**Due to Court Order:** includes representation for mental health patients and medical care for some state prisoners.

# FISCAL NOTES



**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**

Fiscal Note On:  
 Bill Text Version:  
 Opp. Chamb. Action:  
 Proposed Amnd.:  
 Sub. Bill For.:

**Date:**  
**Dept./Agy.:**  
**Subject:**

**Author:**  
**Analyst:**

Provides relative to: EN NO IMPACT GF EX See Note Page 1 of 1

Proposed law

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5-YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	5-YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

**REVENUE EXPLANATION**

<b>Senate</b>	<b><u>Dual Referral Rules</u></b>	<b>House</b>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}	<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}	<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**Fiscal Officer**

- House Rule 6.8(F) summary:** If a House or Senate bill's fiscal note shows an estimated fiscal cost of one hundred thousand dollars or more of state general funds annually in any one of the three ensuing fiscal years or, although not specified in the fiscal note, a fiscal cost is indicated in the note as likely to equal or exceed one hundred thousand dollars of state general funds annually in any of the three ensuing fiscal years, the bill must be recommitted to Appropriations.
  
- House Rule 6.8(G) summary:** If a Senate instrument's fiscal note shows a net decrease in fees or increases fees or taxes or authorizes an increase in fees or taxes of five hundred thousand dollars or more annually in any one of three ensuing fiscal years as reflected or authorizes an increase in fees or taxes which, although not specified in the fiscal note, is indicated in the fiscal note to likely exceed five hundred thousand dollars annually in any of the three ensuing fiscal years must be recommitted to Ways and Means.

<b>Senate</b>	<b><u>Dual Referral Rules</u></b>	<b>House</b>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}	<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}	<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

# BUDGET STABILIZATION FUND

- Also called the **Rainy Day Fund**
- Established by Constitution (Article 7, Section 10.3) and Revised Statute (R.S. 39:94)
- Money in the fund is available for appropriation to cover fiscal shortfalls as identified by the official forecasts adopted by the REC
  - Money appropriated from the fund six times since Fiscal Year 2002-2003
- Balance in the Fund = \$721.2 M
  - Over \$900 M after the additional FY 22 surplus required 25% amount of \$181.6 M

## Where does money in the fund come from?

- The greater of \$25 M from any source or 25% of money designated by REC as non-recurring revenue must be deposited into the fund annually
- All money available from appropriation from funds in excess of the expenditure limit
- Excess mineral revenue
- Other money appropriated into the fund by the legislature
- Monies received by the state from the federal government for reimbursement of costs associated with a federally declared disaster

# BUDGET STABILIZATION FUND

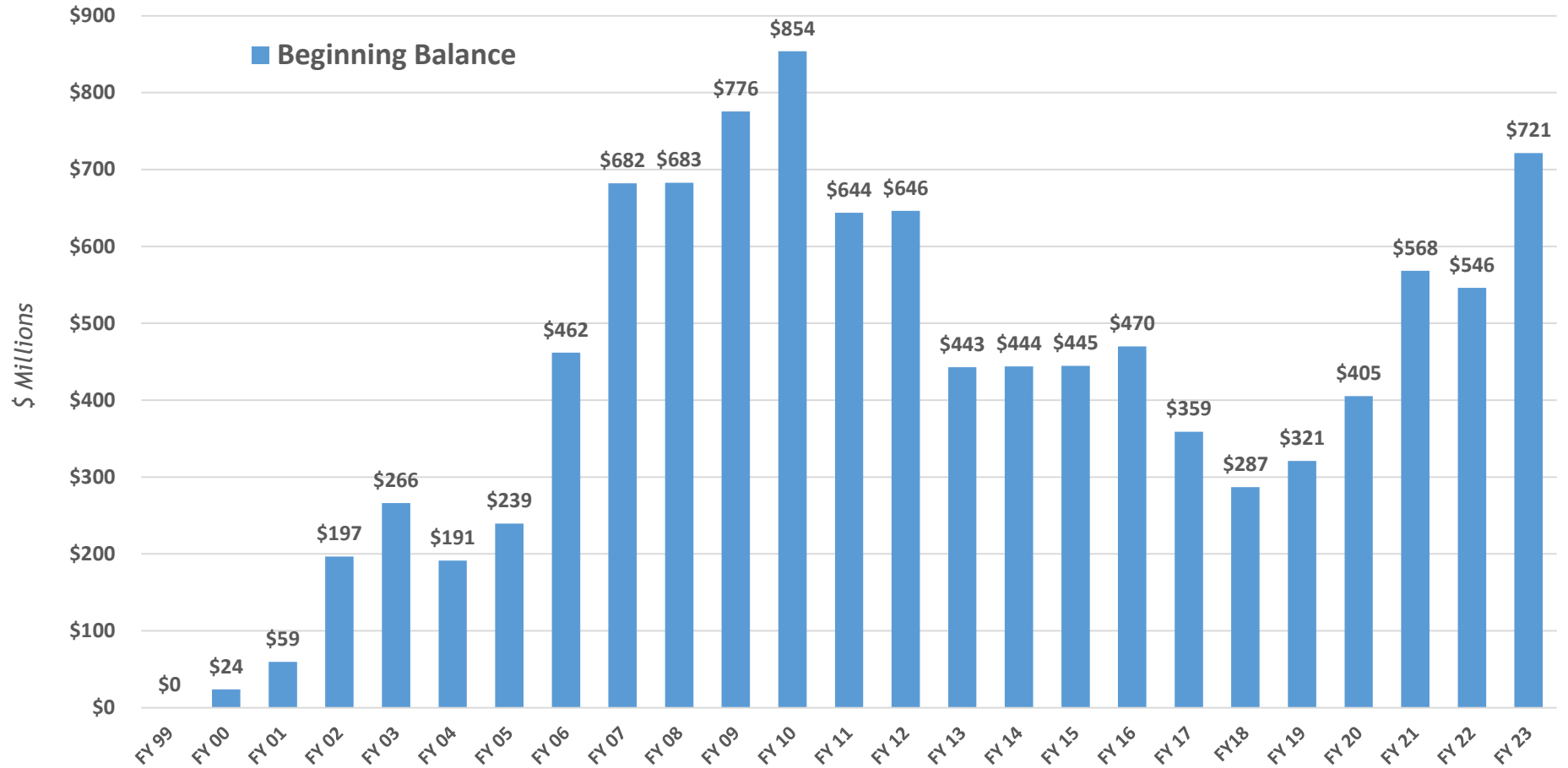
## Money in the fund can be used as follows:

- For Next Fiscal Year - If the official forecast of recurring money for the next fiscal year is less than the official forecast or recurring money for the current fiscal year, the difference, not to exceed 1/3 of the rainy day funds may be appropriated after consent of 2/3 of the elected members of each house
- For Current Fiscal Year - If a deficit for the current year is projected due to a decrease in the official forecast, an amount equal to 1/3 of the rainy day funds not to exceed the projected deficit may be appropriated after consent of 2/3 of the elected members of each house
- For Federally Declared Disasters - Up to 1/3 of the fund, not to exceed state costs associated with the disaster may be appropriated after consent of 2/3 of the elected members of each house

## Restrictions:

- The amount used in the current fiscal year, for the next fiscal year, or for a federally declared disaster can not exceed 1/3 of the fund balance at the beginning of the current fiscal year
- No appropriation or deposit can be made into the fund if it would cause the balance to exceed 4% of total state revenues for the previous fiscal year

# BUDGET STABILIZATION FUND



Source: Treasury Fund Statements

# REVENUE STABILIZATION TRUST FUND

- Fund established by Constitution (Article 7, Section 10.15) and Revised Statute (R.S. 39:100.112)
- Balance in the Fund = \$1.038 B
  - \$802.2 M deposited in FY 22 alone

## Where does money in the fund come from?

- Corporate income and corporate franchise tax revenues in excess of \$600 M as recognized by REC in any fiscal year
- 70% of mineral revenues each year in excess of \$660 M and less than \$950 M

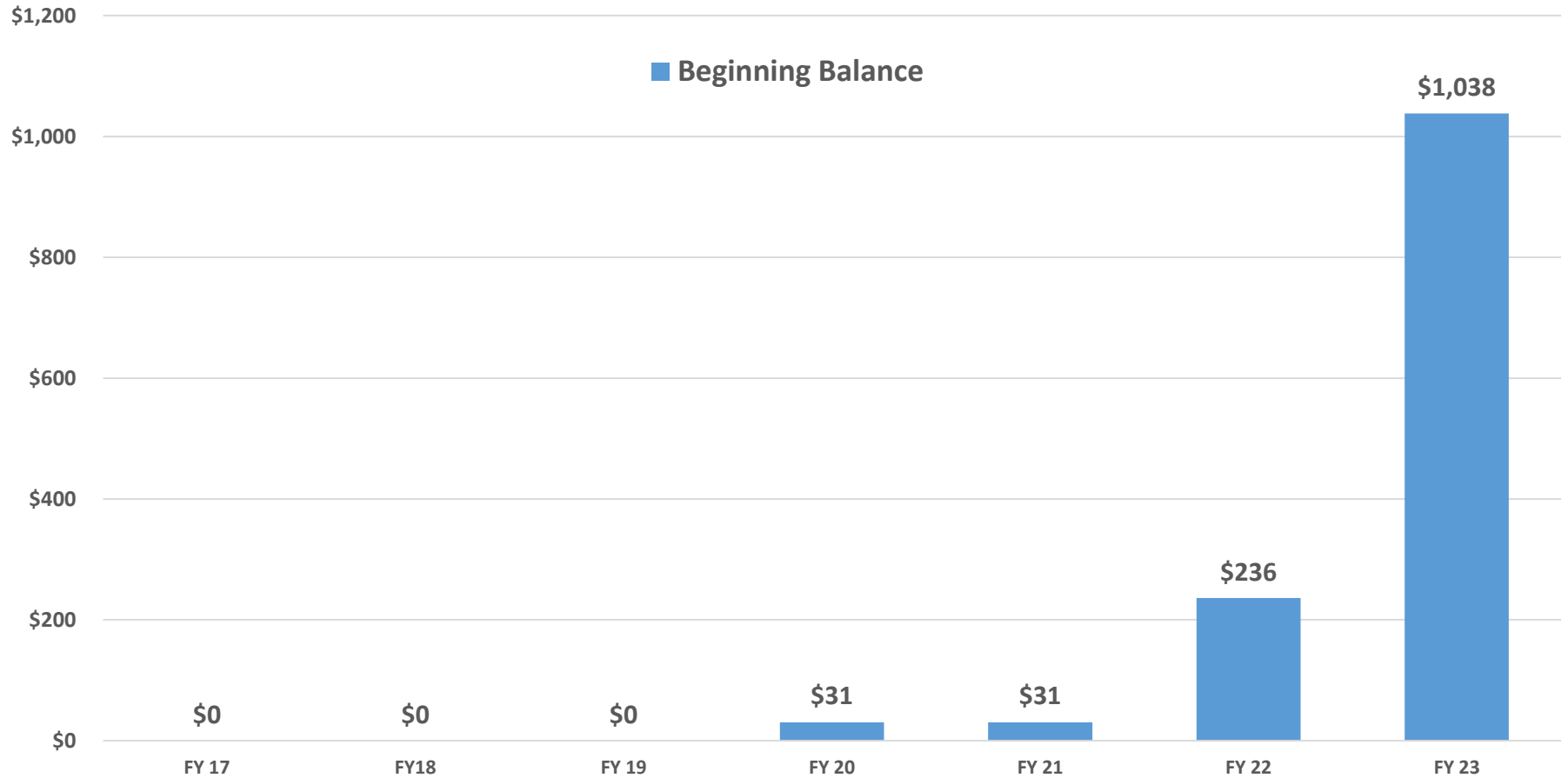


# REVENUE STABILIZATION TRUST FUND

## Restrictions on Appropriations:

- Minimum fund balance of \$5B must be achieved before monies may be appropriated from the fund
- When the minimum fund balance is achieved, the legislature may only appropriate up to 10% of the fund balance in any year for:
  - Capital Outlay projects in the comprehensive capital budget
  - Transportation Infrastructure
- The legislature may change the “minimum fund balance” or the allowable percentage by a law enacted with a 2/3 vote of each house
- “Emergency appropriations”
  - The legislature may authorize an appropriation from the fund at any time for any purpose pursuant to a concurrent resolution adopted by a favorable vote of 2/3 of the elected members of each house

# REVENUE STABILIZATION TRUST FUND



Source: Treasury Fund Statements

# AMERICAN RESCUE PLAN ACT

- The American Rescue Plan Act of 2021 allocated \$3 B to Louisiana from the Coronavirus State Fiscal Recovery Fund, which was deposited into the Louisiana Rescue Plan Fund
- \$1.8 B was also allocated to Louisiana from the Coronavirus Local Fiscal Recovery Fund and \$180 M from the Coronavirus Capital Projects Fund
  - \$180 M - Broadband Initiatives
- \$3 B provided to the state was appropriated or transferred for the following:
  - \$990 M - Unemployment Compensation Fund
  - \$886 M - Transportation Projects
  - \$750 M - Water Sector Program
  - \$78 M - Louisiana Tourism Revival Program
  - \$50 M - Port Relief Program
  - \$257 M - Various Initiatives

# MEETING DOCUMENTS

The screenshot shows the top navigation bar with links for WHO WE ARE, BUDGET DOCS, BUDGET PRESENTATIONS, REVENUE, LEGISLATIVE RESOURCES, HLS, and HOUSE. Below this is a large header for the Louisiana House Fiscal Division. A secondary navigation bar contains four main categories: STATE OPERATING BUDGET, CAPITAL OUTLAY, REVENUE & TAXATION, and LEGISLATIVE RESOURCES. Below these are two sub-categories: WAYS & MEANS STATE TAX STRUCTURE SUBCOMMITTEE (highlighted with a red box and a red arrow) and CURRENT BUDGET INFORMATION (SESSION).

<https://house.louisiana.gov/housefiscal/>

<https://house.louisiana.gov/wm/>

The screenshot shows the subcommittee page for the Ways and Means State Tax Structure Subcommittee. The page title is "Ways and Means State Tax Structure Subcommittee" under the Louisiana House of Representatives. It includes navigation links for Subcommittee Members, Meeting Archives, and Related Sites. The main content area features "HR 178 of the 2022 R.S." with a brief description of the subcommittee's purpose. At the bottom, there are sections for "Members" and "Meeting Documents".

**Members**

DeVillier, Phillip	Chairman
Beaullieu, IV, Gerald "Beau"	Vice Chair
Bryant, Marcus Anthony	Member
Butler, Rhonda Gaye	Member
Farnum, Les	Member
McMahon, Wayne	Member
Mincey, Jr., Buddy	Member
Orgeron, Joseph A.	Member
Riser, Neil	Member
Schlegel, Laurie	Member
White, Malinda	Member
Willard, Matthew	Member

**Meeting Documents**

**Staff**

Lea, Brittany Cmte Admin Assistant (225) 342-2442	Pryor, Alison Senior Attorney (225) 342-8357	Murray, Drew Legislative Analyst (225) 342-2303
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**Meeting Schedule**

**Meeting Dates**