



Louisiana Senate Finance Committee



FY22 Recommended Budget

12 – Department of Revenue

April 2021

*Senator Patrick Page Cortez, President
Senator Bodi White, Chairman*



FY22 Recommended Budget

Schedule 12-440 — Department of Revenue

Department of Revenue's mission — "To fairly and efficiently collect state tax revenue to fund public services; to regulate charitable gaming and the sale of alcoholic beverages and tobacco; and to support state agencies in the collection of overdue debts."

Alcohol and Tobacco Control

Administration, Certification and Enforcement of Alcoholic Beverage and Tobacco Product Sales

- Alcoholic beverage retailers, wholesalers, manufacturers, native wineries
- Retail and wholesale tobacco product dealers
- CBD and vaping products

Tax Collection

Coordinates and implements all efforts related to tax collection

- **Administration** – everyday office functions such as human resources, budgeting, purchasing and technology
- **Tax Policy Management** – policy issues including legislation, rules, fiscal note responses, other policy issues
- **Revenue Collection and Distribution** – return processing, taxpayer registration, state and local taxes
- **Taxpayer Assistance** - customer service and community outreach, tax clearances and certifications
- **Tax Compliance** – audits and investigations of tax related issues
- **Tax Enforcement** – collects tax debt through multiple means and defends the state in litigation

Office of Charitable Gaming

Administration, Certification, Audit and Enforcement of the Charitable Gaming Industry

- Licenses, educates, and monitors organizations conducting legalized gaming as a fund-raising mechanism
- Licenses and enforces commercial lessors of electronic video bingo and progressive mega-jackpot bingo

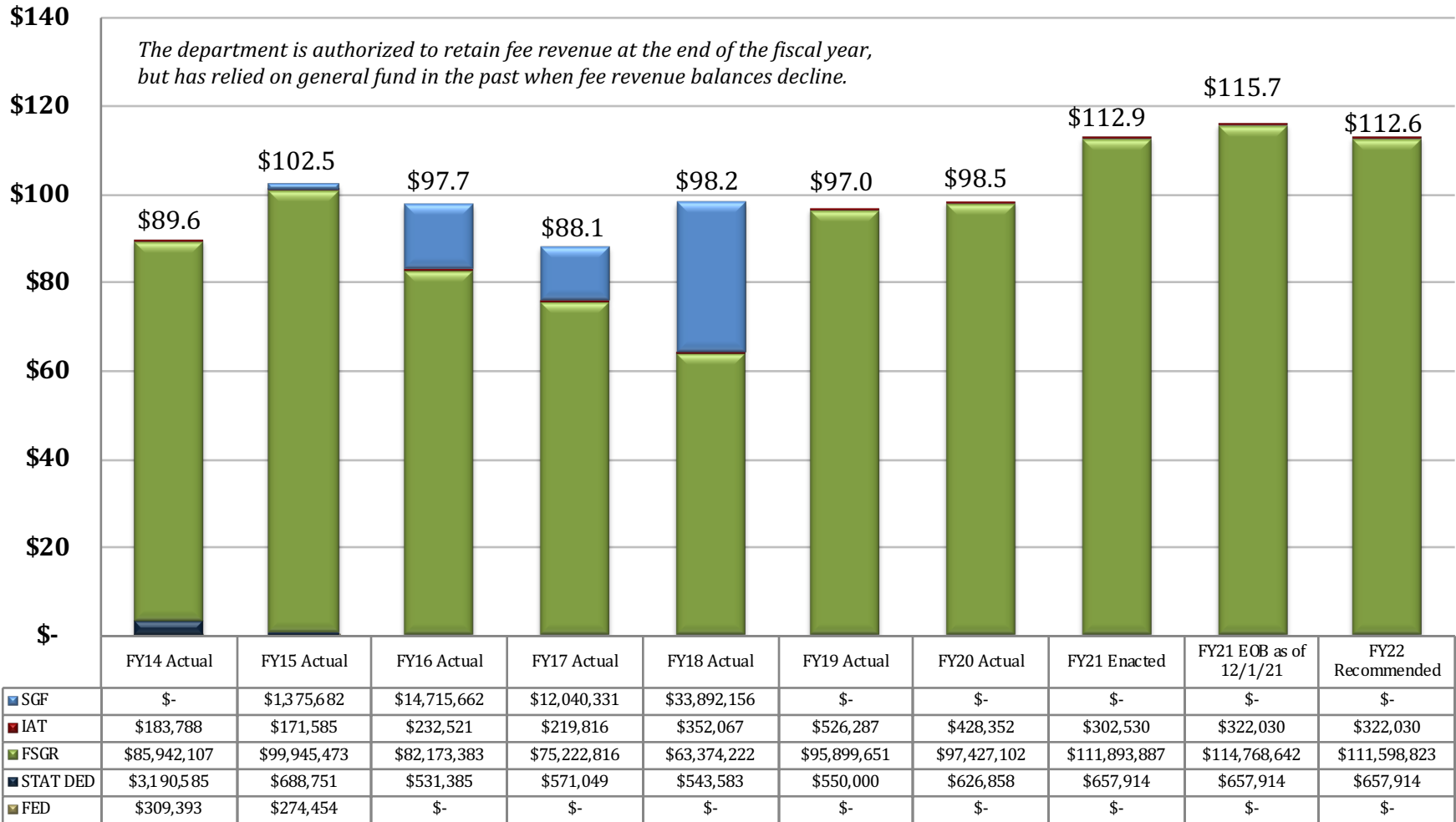


Department of Revenue

Changes in Funding since FY14

Total Budget by Fiscal Year and Means of Finance
(in \$ millions)

Spending change from FY14 to FY20 is 9.9%
Budget change from FY14 to FY22 is 25.6%





Budget Adjustments Recommended for FY22

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$322,030	\$114,768,642	\$657,914	\$0	\$115,748,586	720	Existing Operating Budget as of 12/1/20
\$0	\$0	\$1,226,004	\$0	\$0	\$1,226,004	0	Market Rate Classified
\$0	\$0	\$270,395	\$0	\$0	\$270,395	0	Civil Service Training Series
\$0	\$0	\$1,052,290	\$0	\$0	\$1,052,290	0	Related Benefits Base Adjustment
\$0	\$0	(\$219,668)	\$0	\$0	(\$219,668)	0	Retirement Rate Adjustment
\$0	\$0	\$152,578	\$0	\$0	\$152,578	0	Group Insurance Rate Adjustment for Active Employees
\$0	\$0	\$148,849	\$0	\$0	\$148,849	0	Group Insurance Rate Adjustment for Retirees
\$0	\$0	\$1,180,307	\$0	\$0	\$1,180,307	0	Salary Base Adjustment
\$0	\$0	(\$2,443,948)	\$0	\$0	(\$2,443,948)	0	Attrition Adjustment
\$0	\$0	\$474,496	\$0	\$0	\$474,496	0	Acquisitions & Major Repairs
\$0	\$0	(\$419,825)	\$16,814	\$0	(\$403,011)	0	Non-recurring Acquisitions & Major Repairs
\$0	\$0	(\$2,874,755)	(\$16,814)	\$0	(\$2,891,569)	0	Non-recurring Carryforwards
\$0	\$0	(\$49,406)	\$0	\$0	(\$49,406)	0	Risk Management
\$0	\$0	(\$6,873)	\$0	\$0	(\$6,873)	0	Legislative Auditor Fees
\$0	\$0	(\$156,098)	\$0	\$0	(\$156,098)	0	Rent in State-owned Buildings
\$0	\$0	\$47,471	\$0	\$0	\$47,471	0	Capitol Park Security
\$0	\$0	\$1,191	\$0	\$0	\$1,191	0	USPS Fees
\$0	\$0	(\$4,928)	\$0	\$0	(\$4,928)	0	Civil Service Fees
\$0	\$0	\$28,538	\$0	\$0	\$28,538	0	State Treasury Fees
\$0	\$0	(\$1,601,539)	\$0	\$0	(\$1,601,539)	0	Office of Technology Services (OTS)
\$0	\$0	\$9,148	\$0	\$0	\$9,148	0	Administrative Law Judges
\$0	\$0	(\$14,046)	\$0	\$0	(\$14,046)	0	Office of State Procurement
\$0	\$0	(\$3,199,819)	\$0	\$0	(\$3,199,819)	0	Total Statewide Adjustments
\$0	\$0	\$30,000	\$0	\$0	\$30,000	0	Total Agency Specific Adjustments
\$0	\$322,030	\$111,598,823	\$657,914	\$0	\$112,578,767	720	TOTAL FY 22 RECOMMENDED BUDGET
\$0	\$0	(\$3,169,819)	\$0	\$0	(\$3,169,819)	0	Total Adjustments (Statewide and Agency-specific)

Agency Specific Adjustments

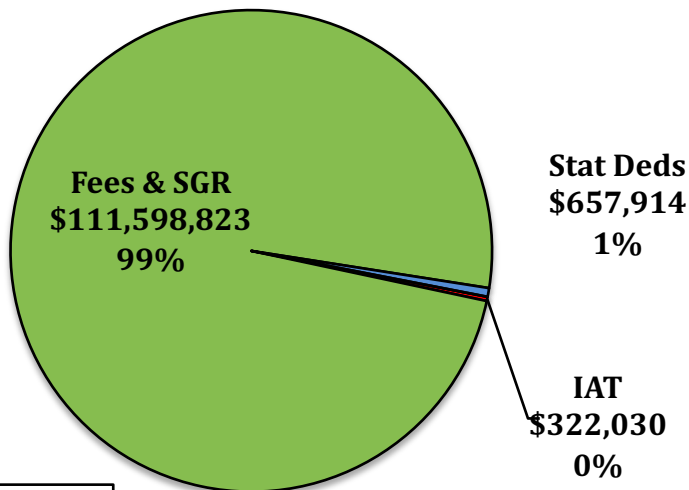
State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	\$30,000	\$0	\$0	\$30,000	0	Tax Collection - Office space rental in Dallas, Texas, for LDR audit staff to allow for improved customer service and provide more hands-on training for staff.
\$0	\$0	\$30,000	\$0	\$0	\$30,000	0	Total Agency Specific Adjustments



12-440 – Department of Revenue

Total Funding	FY20Actual	FY21 Enacted	FY21 EOB as of 12-1-20	FY22 Recommended	Difference FY21 EOB to FY22 Recommended
State General Fund	\$0	\$0	\$0	\$0	\$0
Interagency Transfers	\$428,352	\$302,530	\$322,030	\$322,030	\$0
Fees and Self-generated Revenue	\$97,427,102	\$111,893,887	\$114,768,642	\$111,598,823	(\$3,169,819)
Statutory Dedications	\$626,858	\$657,914	\$657,914	\$657,914	\$0
Federal	\$0	\$0	\$0	\$0	\$0
REVENUE TOTAL	\$98,482,312	\$112,854,331	\$115,748,586	\$112,578,767	(\$3,169,819)
Total Positions	712	720	720	720	0

FY22 Recommended Means of Finance



Total \$112.6M

(\$3,169,819) Budget Adjustments = primarily due to non-recurring carryforwards (\$2.9M) and a reduction in an IAT to Office of Technology Services (\$1.6M) offset by a net increase in personal services of \$1.4M. The only non-statewide adjustment is a \$30,000 increase for office space in Dallas.

Note: Act 348 of 2020 Regular Session transfers the funding of the Department from fees and self-generated revenue to an amount equal to 1% of sales, income and corporate franchise tax (net of dedications) beginning in FY 23. Most fee/penalty revenue will be deposited to the SGF. Penalties for violating timely filing or remittance of non-resident athlete income tax, NSF checks, exam costs and distraint or property seizure costs will remain with the department.

Fees and Self-generated Revenues

Late payment/delinquent fees
License fees
Fines for violations

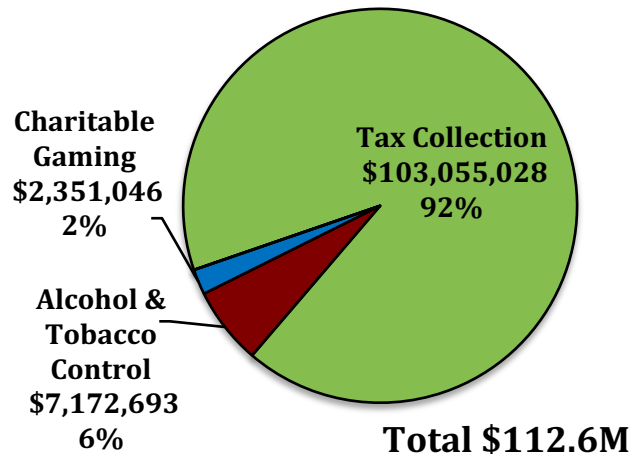
Negligence fees
Permits fees
Collection fees



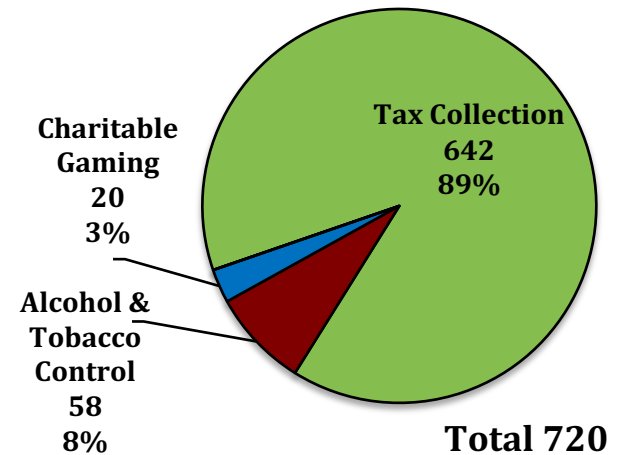
12-440 – Department of Revenue FY22 Program Breakout

	FY20 Actual	FY21 Enacted	FY21 EOB as of 12-1-20	FY22 Recommended	Difference FY21 EOB vs. FY22 Recommended
Tax Collection	\$90,418,700	\$103,018,668	\$105,602,477	\$103,055,028	(\$2,547,449)
Alcohol & Tobacco Control	\$6,180,081	\$7,589,406	\$7,899,852	\$7,172,693	(\$727,159)
Charitable Gaming	\$1,883,531	\$2,246,257	\$2,246,257	\$2,351,046	\$104,789
TOTAL FUNDING	\$98,482,312	\$112,854,331	\$115,748,586	\$112,578,767	(\$3,169,819)
Tax Collection	642	642	642	642	0
Alcohol & Tobacco Control	50	58	58	58	0
Charitable Gaming	20	20	20	20	0
TOTAL AUTHORIZED POSITIONS	712	720	720	720	0

**FY22 Recommended
Total Means of Finance**
(In Millions)



**FY22 Recommended
Authorized Positions**





Department of Revenue Dedicated Funds, IAT, Carryover

Statutory Dedications

	Source of Funding	FY20 Actual	FY21 EOB	FY22 Recommended
Tobacco Regulation Enforcement Fund	A portion of the tax charged to consumers for the purchase of cigarettes	\$549,996	\$557,914	\$557,914
Louisiana Entertainment Development Fund*	Application fees for the transfer of film credits equal to 2% of the amount of the tax credit transfer value	\$76,862	\$100,000	\$100,000
	Total	\$626,858	\$657,914	\$657,914

* By statute, 75% of this fund is for LED to administer the credits and 25% is for Revenue to administer the transfer of the credits. The FY22 recommended budget for LED from this fund is \$2.7M, which implies that LDR should be appropriated \$900,000 instead of \$100,000.

Interagency Transfers (\$322,030)

- Department of Public Safety for the enforcement of the prohibition on alcoholic beverage sales to minors
- Department of Health and Hospitals for the enforcement of the prohibition on tobacco sales to minors

Carryover (\$63.2M)

- The Department is authorized to retain excess fees for use in the subsequent year to avoid the need for seed money to begin the year or state general fund to operate the agency (this will change in FY23)

Carryover of Excess Fees

FY19	\$76,902,121
FY20	\$91,710,699
FY21	\$94,193,452
FY22 Estimated in Request	\$63,238,597

Source: FY19-21 Treasury, Submitted to JLCB; FY22 Departmental Budget Request



Department of Revenue

FY21 Enacted vs. FY22 Recommended Comparison by Program

FY21 Enacted Total MOF by Agency	SGF	IAT	FSGR	Stat Deds	Federal	Total
Tax Collection	\$0	\$0	\$102,918,668	\$100,000	\$0	\$103,018,668
Alcohol & Tobacco Control	\$0	\$302,530	\$6,728,962	\$557,914	\$0	\$7,589,406
Charitable Gaming	\$0	\$0	\$2,246,257	\$0	\$0	\$2,246,257
TOTAL	\$0	\$302,530	\$111,893,887	\$657,914	\$0	\$112,854,331
FY22 Recommended Total MOF by Agency	SGF	IAT	FSGR	Stat Deds	Federal	Total
Tax Collection	\$0	\$0	\$102,955,028	\$100,000	\$0	\$103,055,028
Alcohol & Tobacco Control	\$0	\$322,030	\$6,292,749	\$557,914	\$0	\$7,172,693
Charitable Gaming	\$0	\$0	\$2,351,046	\$0	\$0	\$2,351,046
TOTAL	\$0	\$322,030	\$111,598,823	\$657,914	\$0	\$112,578,767
Difference FY21 Enacted to FY22 Recommended	SGF	IAT	FSGR	Stat Deds	Federal	Total
Tax Collection	\$0	\$0	\$36,360	\$0	\$0	\$36,360
Alcohol & Tobacco Control	\$0	\$19,500	(\$436,213)	\$0	\$0	(\$416,713)
Charitable Gaming	\$0	\$0	\$104,789	\$0	\$0	\$104,789
TOTAL	\$0	\$19,500	(\$295,064)	\$0	\$0	(\$275,564)
<i>Change</i>		6.4%	-0.3%	0.0%		-0.2%

The Department's total FY22 Recommended Budget decreased by \$275,564 or 0.2% due mainly to decreases in Fees and Self-generated Revenue from Alcohol & Tobacco Control.

In all means of finance, the Tax Collection program is essentially not changed from last year.

The Alcohol & Tobacco Control program funding is down about 5.5% from last year.

The Office of Charitable Gaming increased by about 4.7% or \$104,789.



Department of Revenue

Categorical Expenditures

Expenditure Category	FY20 Actual	FY21 EOB <i>(as of 12-01-20)</i>	FY22		Difference FY21 to FY22
			Proposed Budget	Category as Percent of Total	
Personal Services:	\$63,799,754	\$68,483,116	\$69,849,923	62%	\$1,366,807
Salaries	\$37,830,323	\$39,889,978	\$40,546,865	36%	\$656,887
Other Compensation	\$1,273,699	\$1,718,388	\$1,718,388	2%	\$0
Related Benefits	\$24,695,732	\$26,874,750	\$27,584,670	25%	\$709,920
Operating Expenses:	\$3,268,536	\$7,528,694	\$7,557,243	7%	\$28,549
Travel	\$551,153	\$1,007,068	\$1,007,068	1%	\$0
Operating Services	\$2,362,003	\$6,134,415	\$6,162,964	5%	\$28,549
Supplies	\$355,380	\$387,211	\$387,211	0%	\$0
Professional Services	\$551,575	\$1,745,949	\$1,745,949	2%	\$0
Other Charges:	\$30,544,507	\$37,304,714	\$32,934,342	29%	(\$4,370,372)
Other Charges	\$668,272	\$992,843	\$984,043	1%	(\$8,800)
Debt Service	\$0	\$0	\$0	0%	\$0
Interagency Transfers	\$29,876,235	\$36,311,871	\$31,950,299	28%	(\$4,361,572)
Acquisitions & Major Repairs:	\$317,940	\$686,113	\$491,310	0%	(\$194,803)
Acquisitions	\$317,940	\$686,113	\$491,310	0%	(\$194,803)
Major Repairs	\$0	\$0	\$0	0%	\$0
Total Expenditures	\$98,482,312	\$115,748,586	\$112,578,767	100%	(\$3,169,819)

Other charges include interagency transfers for centralized services including technology (\$20M), mail (\$3M), telecommunications (\$1.8M), and printing (\$1.7M). Also included is rent in state-owned buildings (\$1.8M) and Benson Tower (\$0.4M).

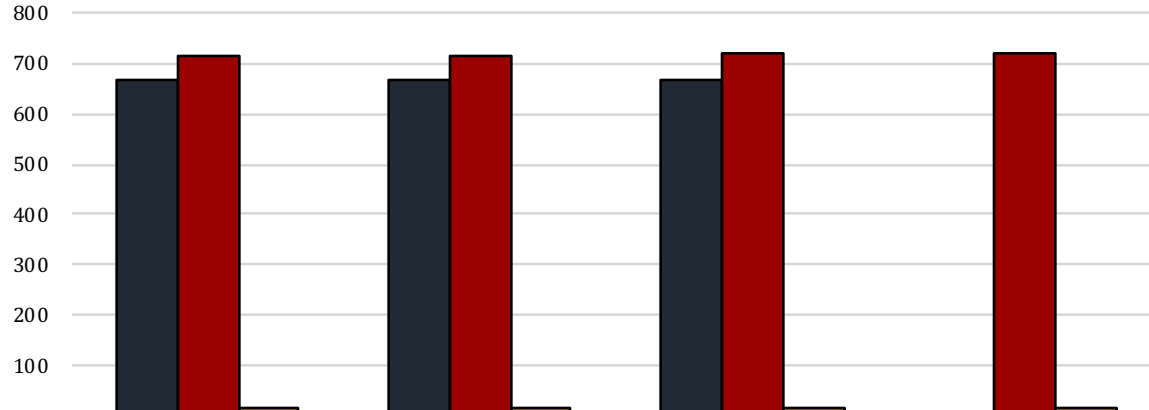


12-440 Department of Revenue FTEs, Authorized, and Other Charges Positions and Related Employment Information

This Department Represents 2.1% Percent of Total State Positions of 34,081.

FY21 number of funded, but not filled, positions as of March 1 = 92

Number and Types of Positions



* Remaining Benefits include employer contribution to authorized positions' retirement, health, Medicare, FICA, Emoluments etc. The authorized positions include authorized T.O. positions and authorized other charges positions, both filled and vacant.

■ Total FTEs (1st July Report)
■ Authorized Positions
■ Other Charges Positions

Personal Services	2019 Actual	2020 Actual	2021 Enacted	2022 Recommended
Salaries	\$36,553,1362	\$37,830,323	\$39,687,589	\$40,546,865
Other Compensation	\$1,447,065	\$1,273,699	\$1,671,536	\$1,718,388
Related Benefits	\$22,907,199	\$24,695,732	\$26,760,769	\$27,584,670
Total Personal Services	\$60,907,400	\$63,799754	\$68,119,894	\$69,849,923

Examples of Other Compensation include pay for WAE employees, part-time employees, student workers, etc.

Other Charges Benefits
\$218,140

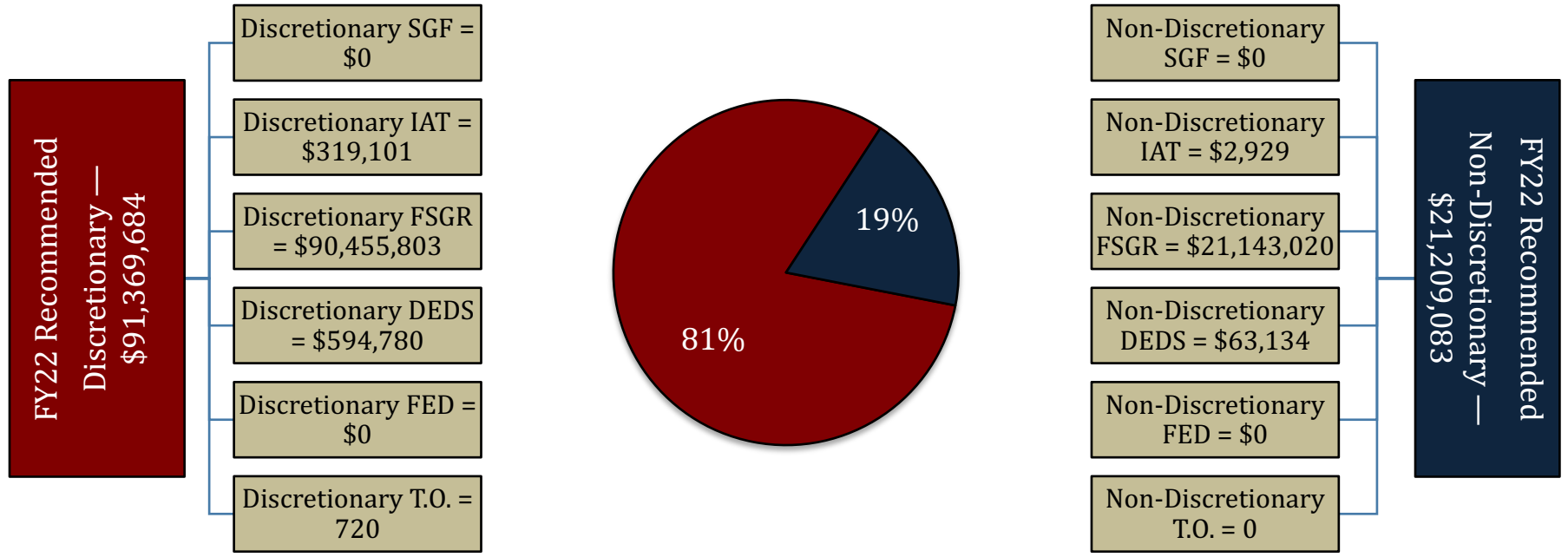
Related Benefits FY22 Recommended	Total Funding	%
Total Related Benefits	\$27,802,810	
UAL payments	\$13,556,511	49%
Retiree Health Benefits	\$5,392,694	
Remaining Benefits*	\$8,853,605	
Means of Finance	General Fund = 0%	Other = 100%

Average Salary = \$56,315



12-440 Department of Revenue

FY22 Discretionary/Non-Discretionary Comparison



Total Discretionary Funding by Office		
Tax Collection	\$ 83,434,816	91%
Alcohol & Tobacco Control	\$ 5,973,275	7%
Charitable Gaming	\$ 1,961,593	2%
Total Discretionary	\$ 91,369,684	100%

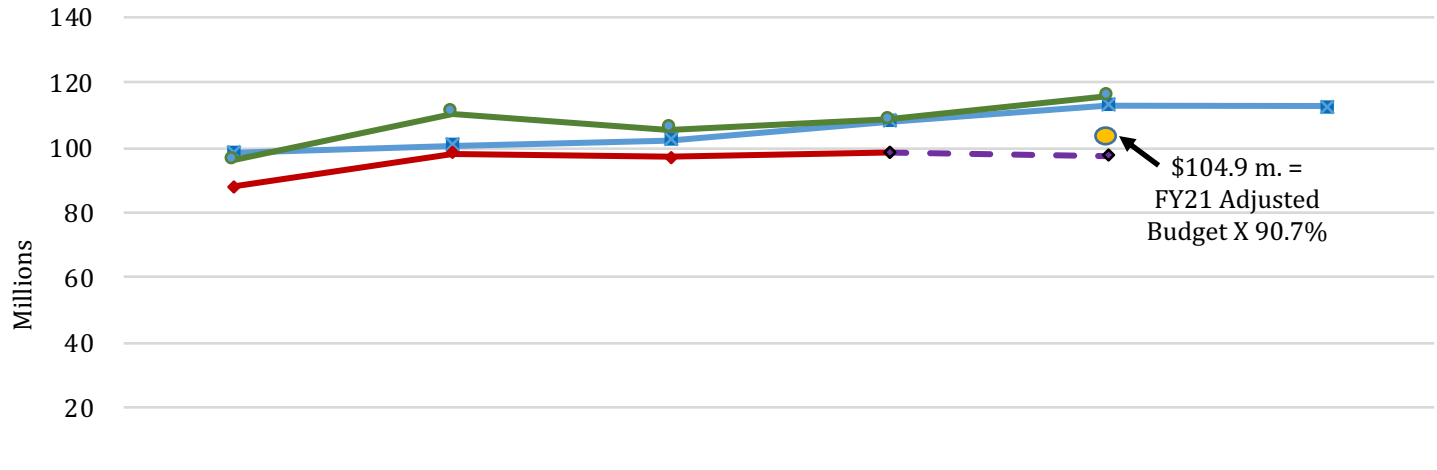
Total Non-Discretionary Funding by Type		
UAL Obligation	\$ 13,556,511	64%
Retirees Group Insurance	\$ 5,392,694	25%
Rent in State-owned Buildings	\$ 1,658,660	8%
Legislative Auditor Fees	\$ 601,218	3%
Total Non-Discretionary	\$ 21,209,083	100%



12-440 Department of Revenue

Enacted & FYE Budget vs. Actual Expenditures FY17 to FY20

FYE Budget = "Fiscal Year End" Budget includes all in-house and regular BA-7s through June 30 of the fiscal year. For FY21, it is as of February.



FY21 Known Supplemental Needs:
\$0

FY20 General Fund Reversions:
\$0

	FY17	FY18	FY19	FY20	FY21 thru Feb.	FY22 Recommended
Enacted Budget	98,393,220	100,567,570	102,406,220	107,996,014	112,854,331	\$112,578,767
FYE Budget	96,129,536	110,656,092	105,749,842	108,662,134	115,748,586	
Actual Expenditures	88,054,012	98,162,028	96,975,938	98,482,313		
FY21 Expenditure Trend				\$98,482,313	\$97,367,590	

Monthly Budget Activity				
	FY21 Adjusted Budget	FY21 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
Jul-20	\$ 112,854,331	\$ 7,492,671	\$ 105,361,660	6.6%
Aug-20	\$ 115,729,086	\$ 13,782,555	\$ 101,946,531	11.9%
Sep-20	\$ 115,729,086	\$ 26,095,982	\$ 89,633,104	22.5%
Oct-20	\$ 115,729,086	\$ 34,497,618	\$ 81,231,468	29.8%
Nov-20	\$ 115,748,586	\$ 39,615,277	\$ 76,133,309	34.2%
Dec-20	\$ 115,748,586	\$ 47,799,546	\$ 67,949,040	41.3%
Jan-21	\$ 115,748,586	\$ 58,959,587	\$ 56,788,999	50.9%

Monthly Budget Activity				
	FY21 Adjusted Budget	FY21 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
Feb-21	\$ 115,748,586	\$ 64,685,801	\$ 51,062,785	55.9%
<i>(Trend based on average monthly expenditures to date)</i>				
Mar-21	\$ 115,748,586	\$ 72,856,248	\$ 42,892,338	62.9%
Apr-21	\$ 115,748,586	\$ 81,026,695	\$ 34,721,891	70.0%
May-21	\$ 115,748,586	\$ 89,197,142	\$ 26,551,444	77.1%
Jun-21	\$ 115,748,586	\$ 97,367,590	\$ 18,380,996	84.1%
Historical Year End Average				90.7%



Incentive Expenditure Forecast

- In accordance with Act 401 of the 2017 Regular Session, the Department of Revenue prepares and presents for recognition by the Revenue Estimating Conference a forecast of incentives paid through the state general fund. These credits, deductions and rebates impact the state general fund revenue in the same manner as an expenditure.
- This table includes history and an estimate of the amount of state general fund that is expected to be foregone for each incentive. In its official forecast, the Revenue Estimating Conference forecasts state general fund available after deducting the impact of these incentives.
- In FY22, the Department of Revenue is forecasting \$720.7M in state general fund revenue incentive expenditures.
- The Department of Revenue administers the following incentive expenditure programs:

INCENTIVE EXPENDITURES: FORECAST

AUTHORITY

Louisiana Capital Companies Tax Credit Program	R.S. 51:1921	\$ 0
Procurement Processing Company Rebate Program	R.S. 47:6351	\$ 49,400,000

(The full Incentive Expenditure Forecast report is on the following page. Most of the remaining incentive expenditure programs are administered by the Department of Economic Development)



Incentive Expenditure Forecast Schedule 12 – Department of Revenue

INCENTIVE EXPENDITURE FORECAST HISTORICAL AND CURRENT PROJECTIONS AND ACTUALS January 2021

Incentive Expenditure	Legal Authority	Adm. Agency	FYE 6-19 (Projected)	FYE 6-19 (Actual)	FYE 6-20 (Projected)	FYE 6-20 (Actual)	FYE 6-21 (Projected)	FYE 6-21 (YTD Actual)	FYE 6-22 (Projected)
Atchafalaya Trace Heritage Area Development Zone	R.S. 25:1226	CRT/LED	Unable to anticipate	\$0	Unable to anticipate	\$0	Unable to anticipate	\$0	\$0
Cane River Heritage Tax Credit	R.S. 47:6026	CRT	Unable to anticipate	\$0	Unable to anticipate	\$0	Unable to anticipate	\$0	\$0
Tax Credit for Rehabilitation of Historic Structures	R.S. 47:6019	CRT/LDR	\$120,000,000	\$77,349,267	\$150,000,000	\$132,893,757	\$123,000,000	\$27,388,904	\$185,000,000
Subtotal		CRT	\$120,000,000	\$77,349,267	\$150,000,000	\$132,893,757	\$123,000,000	\$27,388,904	\$185,000,000
Brownfields Investor Tax Credit	R.S. 47:6021	DEQ	Negligible	\$23,039	Negligible	\$19,614	Negligible	\$17,160	Negligible
Subtotal		DEQ	\$0	\$23,039	\$0	\$19,614	\$0	\$17,160	\$0
Louisiana Community Economic Development Act	R.S. 47:6031	LED	Not in effect	\$0	Not in effect	\$0	Not in effect	Not in effect	Not in effect
Ports of Louisiana Tax Credits	R.S. 47:6036	LED	Unable to anticipate	\$0	Unable to anticipate	\$0	Unable to anticipate	\$0	\$0
Motion Picture Investor Tax Credit (See Note 1)	R.S. 47:6007	LED	\$180,000,000	\$180,000,000	\$180,000,000	\$180,000,000	\$180,000,000	\$32,641,194	\$180,000,000
Research and Development Tax Credit	R.S. 47:6015	LED	\$9,000,000	\$5,411,914	\$7,000,000	\$5,076,436	\$7,000,000	\$2,379,858	\$6,400,000
Digital Interactive Media and Software Act	R.S. 47:6022	LED	\$50,000,000	\$28,954,715	\$75,000,000	\$30,809,258	\$31,700,000	\$12,599,266	\$53,200,000
Louisiana Motion Picture Incentive Act	R.S. 47:1121	LED/OFI	Not in effect	\$0	Not in effect	\$0	Not in effect	Not in effect	Not in effect
New Markets Tax Credit (See Note 2)	R.S. 47:6016	LED/LDR	Unable to anticipate	-\$3,162,565	Unable to anticipate	\$23,624	Unable to anticipate	Negligible	Negligible
University Research and Development Parks	R.S. 17:3389	LED	Not in effect	\$0	Not in effect	\$0	Not in effect	Not in effect	Not in effect
Industrial Tax Equalization Program	R.S. 47:3201 - 3205	LED	\$4,000,000	\$12,476,401	\$6,000,000	\$7,037,106	\$14,500,000	\$1,659,284	\$6,100,000
Exemptions for Manufacturing Establishments	R.S. 47:4301 - 4306	LED	\$1,500,000	\$0	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Louisiana Enterprise Zone Act	R.S. 51:1781	LED	\$50,000,000	\$23,647,553	\$52,000,000	\$26,653,920	\$40,000,000	\$34,628,250	\$43,800,000
Sound Recording Investor Tax Credit	R.S. 47:6023	LED	\$2,000,000	\$15,372	\$330,000	\$88,447	\$611,000	Negligible	\$183,000
Urban Revitalization Tax Incentive Program	R.S. 51:1801	LED	Not in effect	\$0	Not in effect	\$0	Not in effect	Not in effect	Not in effect
Technology Commercialization Credit and Jobs Program	R.S. 51:2351	LED	Not in effect	Negligible	Not in effect	\$0	Not in effect	Not in effect	Not in effect
Angel Investor Tax Credit Program	R.S. 47:6020	LED	\$3,000,000	\$1,888,556	\$4,000,000	\$2,922,511	\$4,000,000	\$813,945	\$3,100,000
Musical and Theatrical Productions Income Tax Credit	R.S. 47:6034	LED	\$6,000,000	\$2,300,386	\$6,500,000	\$2,386,770	\$6,000,000	\$1,141,775	\$1,100,000
Retention and Modernization Act	R.S. 51:2399.1 - 6	LED	\$6,000,000	\$6,242,541	\$9,000,000	\$2,522,000	\$10,500,000	\$590,000	\$12,400,000
Tax Credit for Green Jobs Industries	R.S. 47:6037	LED	Not in effect	\$0	Not in effect	\$0	Not in effect	Not in effect	Not in effect
Louisiana Quality Jobs Program Act	R.S. 51:2451	LED	\$150,000,000	\$140,484,483	\$160,000,000	\$51,571,578	\$165,000,000	\$86,806,900	\$165,000,000
Corporate Headquarters Relocation Program	R.S. 51:3111	LED	Not in effect	\$0	Not in effect	\$0	Not in effect	Not in effect	Not in effect
Competitive Projects Payroll Incentive Program	R.S. 51:3121	LED	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal		LED	\$461,500,000	\$398,259,356	\$501,330,000	\$310,591,650	\$460,811,000	\$174,760,472	\$472,783,000
Louisiana Capital Companies Tax Credit Program (See Note 3)	R.S. 51:1921	LDR	Negligible	Negligible	Negligible	\$0	Negligible	\$0	\$0
Procurement Processing Company Rebate Program	R.S. 47:6351	LDR	\$15,000,000	\$19,026,366	\$25,000,000	\$23,332,571	\$44,700,000	\$21,139,876	\$49,400,000
Subtotal		LDR	\$15,000,000	\$19,026,366	\$25,000,000	\$23,332,571	\$44,700,000	\$21,139,876	\$49,400,000
Donations to School Tuition Organizations (Rebates and Credits, See Note 4)	R.S. 47:6301	DOE	\$8,000,000	\$7,007,125	\$9,250,000	\$15,748,248	\$16,000,000	\$5,508,634	\$13,500,000
Subtotal		DOE	\$8,000,000	\$7,007,125	\$9,250,000	\$15,748,248	\$16,000,000	\$5,508,634	\$13,500,000
TOTAL			\$604,500,000	\$501,665,153	\$685,580,000	\$482,585,840	\$644,511,000	\$228,815,046	\$720,683,000

"Negligible" means less than \$10,000

Note 1 - Motion Picture Investor Credits sold to the state under the buy back provisions of R.S. 47:6007 are accounted for based on when the check associated with the buy back is issued rather than the date the credit is transferred to the state for buy back. Projections are limited to the \$180,000,000 credit cap set forth in Act 2015, No. 134. Actuals are also limited to the cap but due to deferrals not claimed in the proper fiscal year, the amount issued may be different.

Note 2 - New Markets Jobs Act reduces insurance premium taxes; An additional authority was authorized by Act 17 of 2020 ES1.

Note 3 - Louisiana Capital Companies Tax Credit Program also allows a credit against insurance premium taxes, reducing insurance premium taxes by \$19,864 in FYE 6-19 and \$1,040 in FYE 6-20.

Note 4 - Donations made to School Tuition Organizations prior to January 1, 2018 are eligible for the rebate. Donations made on or after January 1, 2018 are eligible for a nonrefundable income tax credit.

This report was prepared in accordance with LA R.S. 39:24.1 for use at the Revenue Estimating Conference scheduled for



Department of Revenue

Office of Debt Recovery

The Office of Debt Recovery (ODR) was established by Act 399 of the 2013 Regular Session. It is an office within the Department of Revenue created to collect delinquent taxes and other debt on behalf of other state agencies using collection tools available to LDR. All agencies that did not have contracts with the Attorney General's Office (by January 1, 2014) were directed to refer all outstanding final debt to ODR.

There are currently 113 Agency Participation Agreements in the Office of Debt Recovery.

Office of Debt Recovery

Collections Since Inception	\$251,197,817
FY15	\$96,474
FY16	\$50,781,585
FY17	\$41,427,463
FY18	\$31,948,792
FY19	\$60,750,004
FY20	\$58,555,958
FY21 thru 9/30/20	\$7,637,541

The Department retains 25% as a collection fee, which is added to the debt owed by the taxpayer.



Department of Revenue Departmental Specifics

During FY21, the Department implemented the **Louisiana Frontline Worker Rebate Program** that offered rebates of \$250 to eligible critical infrastructure workers in Louisiana making less than \$50,000 annually. The program was funded with \$50M in CARES funding.

The program distributed or obligated \$38.9M in funds with administrative costs absorbed in the Departmental budget. All remaining funds were returned to the State Coronavirus Relief Fund and redistributed to the Unemployment Trust Fund and Department of Education.



Department of Revenue

Departmental Specifics

Act 348 of 2020 Regular Session

- Changes the funding source of the Tax Collection program from departmental fees to state general fund.
- Beginning in July 2022, an amount equal to 1% of gross tax collections from Sales, Individual Income, Corporate Income and Franchise will be designated as self-generated revenue to the Department of Revenue. This includes automobile sales and state hotel sales tax that is dedicated back to locals, though the funding will come from all SGF sources.
- Tax Collection penalties, except those related to non-resident income tax, NSF checks, exam costs and distraint costs, will be deposited to the state general fund.
- In the most recent REC estimate for FY22, this dedication would total about \$80M. Office of Debt Recovery is expected to generate an additional \$8M. Actual spending by the Tax Collection program in FY20 was \$90.4M. Any difference will have to be made up with another means of finance, most likely state general fund.