



Louisiana Senate Finance Committee



FY25 Executive Budget

12 – Louisiana Department of Revenue

March 2024

Senator Cameron Henry, President
Senator Glen Womack, Chairman



FY25 Recommended Budget

Louisiana 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



Louisiana Department of Revenue Office Locations

TAX COLLECTION

- Baton Rouge (headquarters; LaSalle Building)
- New Orleans (Benson Tower)
- Lafayette (with Wildlife and Fisheries)
- Houston
- Dallas
- Alexandria (State Office Building)
- Monroe (State Office Building)
- Shreveport (Pierremont Office Park)

ALCOHOL AND TOBACCO CONTROL

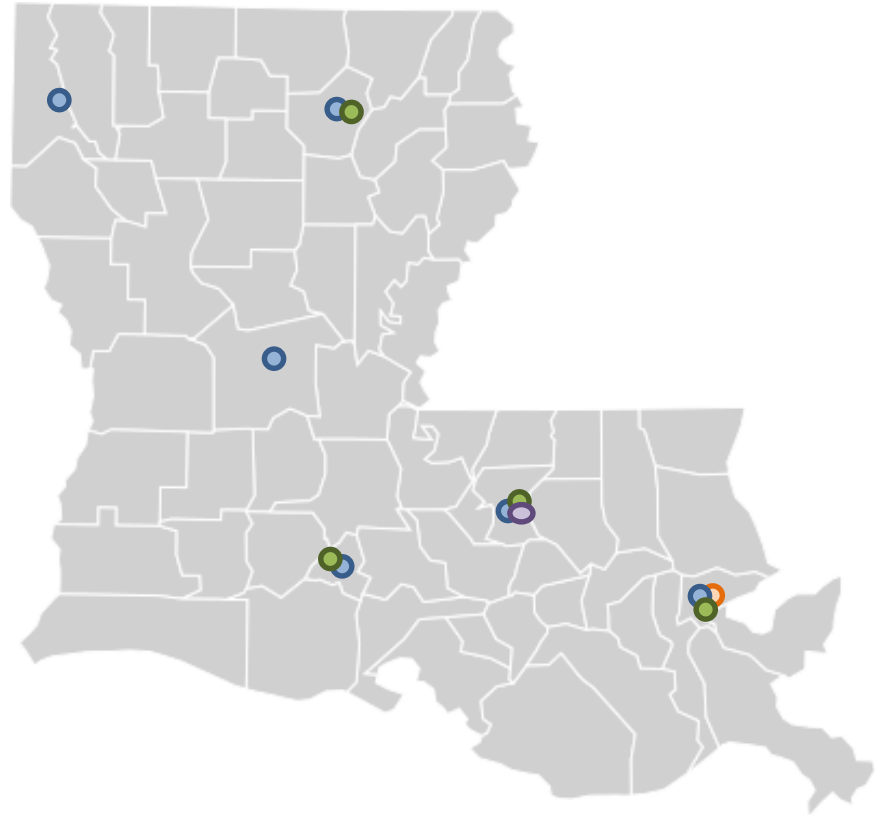
- Baton Rouge (headquarters; with Dept. of Public Safety)
- New Orleans (Benson Tower)
- Lafayette (with Wildlife and Fisheries)
- Monroe (State Office Building)

CHARITABLE GAMING

- Baton Rouge (headquarters; LaSalle Building)

TAX FREE SHOPPING COMMISSION

- New Orleans Armstrong Airport, Riverwalk, and Canal Place



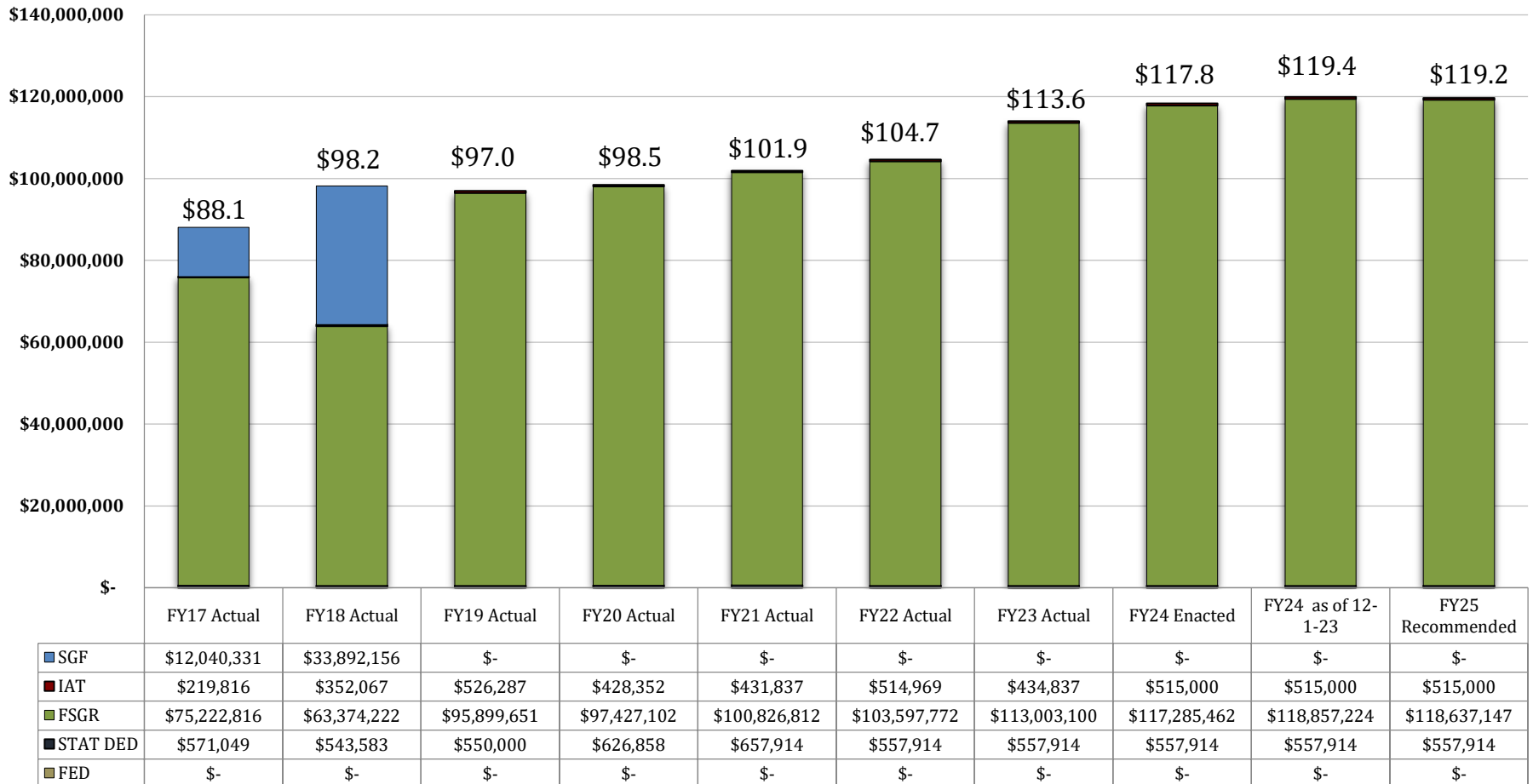


Louisiana Department of Revenue

Changes in Funding since FY17

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

Change from FY17 to FY25 is 35.4%.
(Actual to Recommended)
Change from FY17 to FY23 is 29.0%.
(Actual to Actual)





Act 348 of the 2020 Regular Session

Act 348 of 2020 Regular Session changed the mechanism in which the department is funded. The bill removed most fee & fine penalties and replaced the funding with a flat **1% of sales, income and corporate franchise tax (net of dedications) beginning in Fiscal Year 2023**. Most LDR penalties or fees are instead deposited into the State General Fund. 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.

Tax Collection Program Major Revenue Sources

Up to Fiscal Year 2021 – 2022	Fiscal Year 2022 – 2023 and Beyond
<ul style="list-style-type: none">Fees, fines, and penalties assessed on tax paying entities<ul style="list-style-type: none"><i>Delinquent</i><i>Negligence</i><i>Late payment</i><i>Miscellaneous other fees</i>Supplemented with State General Fund as needed.	<ul style="list-style-type: none">A flat 1% fee of multiple taxes collected by the Department of Revenue:<ul style="list-style-type: none"><i>Sales Tax</i><i>Individual Income</i><i>Corporate Income & Franchise</i> <p>These funds are classified as fees & self-generated revenue.</p>

House Bill 1 contains verbiage allowing the Tax Collection program to retain \$50,000,000 at the end of each year to be carried into the next fiscal year.

The bill also allows retention of all fees & self-generated funds in the Alcohol and Tax Commission and Office of Charitable Gaming.



FY25 Recommended Statewide Adjustments

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$515,000	\$118,857,224	\$557,914	\$0	\$119,930,138	724	FY24 Existing Operating Budget as of 12/1/23
\$0	\$0	\$84,980	\$16,814	\$0	\$101,794	0	Acquisitions & Major Repairs
\$0	\$0	(\$14,147)	\$0	\$0	(\$14,147)	0	Administrative Law Judges
\$0	\$0	(\$2,606,449)	\$0	\$0	(\$2,606,449)	0	Attrition Adjustment
\$0	\$0	(\$26,099)	\$0	\$0	(\$26,099)	0	Capitol Park Security
\$0	\$0	\$14,896	\$0	\$0	\$14,896	0	Civil Service Fees
\$0	\$0	\$382,928	\$0	\$0	\$382,928	0	Civil Service Pay Scale Adjustment
\$0	\$0	\$192,435	\$0	\$0	\$192,435	0	Civil Service Training Series
\$0	\$0	\$188,553	\$0	\$0	\$188,553	0	Group Insurance Rate Adjustment for Active Employees
\$0	\$0	(\$15,815)	\$0	\$0	(\$15,815)	0	Legislative Auditor Fees
\$0	\$0	\$76	\$0	\$0	\$76	0	Maintenance in State-owned Buildings
\$0	\$0	\$1,616,410	\$0	\$0	\$1,616,410	0	Market Rate Classified
\$0	\$0	(\$227,159)	\$0	\$0	(\$227,159)	0	Non-recurring 27th Pay Period
\$0	\$0	(\$1,571,762)	(\$16,814)	\$0	(\$1,588,576)	0	Non-recurring Acquisitions & Major Repairs
\$0	\$0	(\$32,368)	\$0	\$0	(\$32,368)	0	Non-recurring Carryforwards
\$0	\$0	\$156,535	\$0	\$0	\$156,535	0	Office of State Procurement
\$0	\$0	\$1,279,436	\$0	\$0	\$1,279,436	0	Office of Technology Services (OTS)
\$0	\$0	\$13,457	\$0	\$0	\$13,457	0	Personnel Reductions
\$0	\$0	(\$2,865,862)	\$0	\$0	(\$2,865,862)	0	Related Benefits Base Adjustment
\$0	\$0	\$62,237	\$0	\$0	\$62,237	0	Rent in State-owned Buildings
\$0	\$0	\$1,372,905	\$0	\$0	\$1,372,905	0	Retirement Rate Adjustment
\$0	\$0	(\$363,569)	\$0	\$0	(\$363,569)	0	Risk Management
\$0	\$0	(\$2,995)	\$0	\$0	(\$2,995)	0	Salary Base Adjustment
\$0	\$0	(\$2,361,377)	\$0	\$0	(\$2,361,377)	0	Total Statewide Adjustments
\$0	\$0	\$2,141,300	\$0	\$0	\$2,141,300	0	Total Other Adjustments
\$0	\$515,000	\$118,637,147	\$557,914	\$0	\$119,710,061	724	TOTAL FY 25 RECOMMENDED BUDGET
\$0	\$0	(\$220,077)	\$0	\$0	(\$220,077)	0	Total Adjustments (Statewide and Agency-specific)



FY25 Recommended Agency Specific Adjustments

Other Adjustments

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
	\$0	\$500,000	\$0	\$0	\$500,000	0	Increase for a professional service contract to begin matching lottery, casino, and sports betting winnings against Office of Debt Recovery (ODR) debtors.
\$0	\$0	\$300,000	\$0	\$0	\$300,000	0	Increase for a professional services contract to secure litigation services to manage complex litigation and prosecute administrative violations of regulatory frameworks surrounding alcohol delivery, manufacturing alternating premises, and CBD/THC issues.
\$0	\$0	\$213,400	\$0	\$0	\$213,400	0	Increase for the enhancement of the BLAIR (Bingo, Licensing, Accounting, and Inventory Reporting) system in the Charitable Gaming Program. This system provides the ability for remote access while in the field conducting inspections and entrance interviews for audits.
\$0	\$0	\$250,000	\$0	\$0	\$250,000	0	Increase for the expansion of the Collection Division, Criminal Investigation Division, and the Revenue Processing Division in the LaSalle Building. These expansions would allow additional office space for employees in these divisions and centralize employees in appropriate areas in the LaSalle Building.
\$0	\$0	\$336,000	\$0	\$0	\$336,000	0	Increase for the expansion of the Northeast Louisiana State Office Building in Monroe, LA. This expansion will include Collection, Taxpayer Compliance-Income, taxpayer Compliance- SES (Sales, Excise, Severance), and the Office of Charitable Gaming staff and management. The expansion is necessary due to the high volume of individual income walk-in taxpayers and recruitment challenges in Baton Rouge and the surrounding areas.
\$0	\$0	\$391,900	\$0	\$0	\$391,900	0	Increase for the re-opening of the Southwest Louisiana (Lake Charles) Office for taxpayers to have face-to-face customer service to resolve billing issues, file delinquent tax returns, pay taxes owed, and promote voluntary compliance through taxpayer education.
\$0	\$0	\$150,000	\$0	\$0	\$150,000	0	Increase for updates and maintenance of the Licensing and Enforcement System Application in the Alcohol and Tobacco Control Program. This system provides public access/application, legal, enforcement and administrative reporting.
\$0	\$0	\$2,141,300	\$0	\$0	\$2,141,300	0	Total Other Adjustments



Categorical Expenditures

Examples of Categories

Departments expend funding in the five major categories listed below.

Personal Services

- Salaries – Regular, overtime, and termination pay for Classified and Unclassified personnel.
- Other Compensation – Wages, student labor, compensation for board members and/or board of trustees, evening instruction, university instructors, etc.
- Related Benefits – Retirement contributions, post-retirement contributions/benefits, FICA tax, Medicare tax, group insurance contributions, compensated absences, other related benefits, taxable fringe benefits, etc.

Total Operating Expenses

- Travel – In-state and Out-of-state, including meal reimbursement.
- Operating Services – Advertising, printing, insurance, maintenance, rentals, data processing, internet costs, dues and subscriptions, mail delivery, telephones, data lines, vehicle tracking and telematics, utilities, depreciation, amortization, banking services, credit card fees, etc.
- Supplies – office supplies and equipment, computers, clothing and uniforms, medical, pharmaceutical, food, automotive, repair and maintenance, software, etc.

Professional Services – Accounting, auditing, management consulting, engineering, architectural, legal, medical and dental, veterinary, information technology, etc.

Total Other Charges

- Other Charges – Aid to school boards, local government, etc.; public assistance; miscellaneous charges; judgments, fines, and penalties; interest on judgments; punitive/compensatory damages; OC personal services, operating expenses, professional services; contract attorney expenses; recoupments; furlough; contractual services; interest expense; claim payments; commercial group insurance; reinsurance; loans issued; disbursements; etc.
- Debt Service – Principal, interest, related charges, reserve requirement, amortization, and bond premiums.
- Interagency Transfer Line-Item Expenditure – Any expenses paid for with Interagency Transfers – from commodities and services to equipment.

Acquisitions and Major Repairs

- Acquisitions – Land; buildings; automobiles; aircraft; accessories; equipment; software; hardware; farm and heavy equipment; boats; capital outlay expenditures; construction; etc.
- Major Repairs – Land improvement; buildings; automotive; grounds; boats; aircraft; movable equipment; farm equipment; medical; office; library; education; recreation; communication; other equipment; pollution remediation; etc.



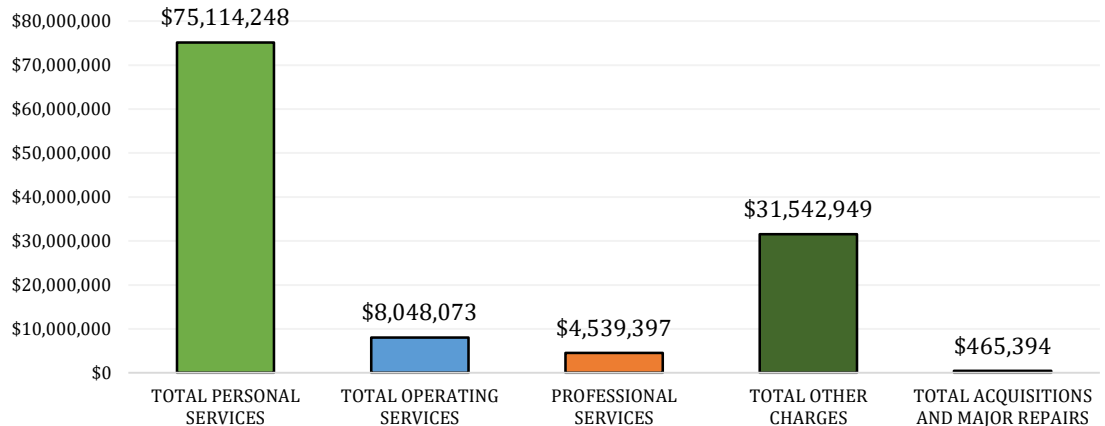
Louisiana Department of Revenue

Categorical Expenditures at FY25 Recommended

The largest expenditure category in the Louisiana Department of Revenue is Personal Services, which comprises 63 percent of the agency's budget. Within this category, Salaries make up 60 percent of expenditures, while Related Benefits contributes 38 percent.

Total Other Charges make up the second largest portion of the agency's budget at 26 percent. This is where payments are made to other state agencies for standard services, such as risk management fees, technology services costs, and rent payments for department facilities.

FY25 Recommended Expenditures



Categorical Expenditures	FY23 Actual	FY24 Enacted	FY24 EOB as of 12/01/23	FY25 Recommended	Difference FY24 EOB vs. FY25 REC
Salaries	\$39,644,982	\$43,799,692	\$43,799,692	\$44,902,361	\$1,102,669
Other Compensation	\$1,243,815	\$1,718,388	\$1,718,388	\$1,718,388	\$0
Related Benefits	\$26,179,582	\$30,035,812	\$30,035,812	\$28,493,499	(\$1,542,313)
TOTAL PERSONAL SERVICES	\$67,068,379	\$75,553,892	\$75,553,892	\$75,114,248	(\$439,644)
Travel	\$517,048	\$1,027,318	\$1,027,318	\$1,027,318	\$0
Operating Services	\$2,314,964	\$6,225,544	\$6,225,544	\$6,553,544	\$328,000
Supplies	\$325,344	\$467,211	\$467,211	\$467,211	\$0
TOTAL OPERATING EXPENSES	\$3,157,356	\$7,720,073	\$7,720,073	\$8,048,073	\$328,000
PROFESSIONAL SERVICES	\$2,038,360	\$3,774,397	\$3,689,397	\$4,539,397	\$850,000
Other Charges	\$408,225	\$1,281,183	\$1,281,183	\$1,281,183	\$0
Debt Service	\$0	\$0	\$0	\$0	\$0
Interagency Transfers	\$40,364,863	\$29,869,858	\$30,937,996	\$30,261,766	(\$676,230)
TOTAL OTHER CHARGES	\$40,773,089	\$31,151,041	\$32,219,179	\$31,542,949	(\$676,230)
Acquisitions	\$958,666	\$158,973	\$747,597	\$465,394	(\$282,203)
Major Repairs	\$0	\$0	\$0	\$0	\$0
TOTAL ACQ. & MAJOR REPAIRS	\$958,666	\$158,973	\$747,597	\$465,394	(\$282,203)
TOTAL EXPENDITURES	\$113,995,851	\$118,358,376	\$119,930,138	\$119,710,061	(\$220,077)



Louisiana Department of Revenue

Categorical Expenditures at FY25 Recommended

Professional Services

Amount	Description
\$4,095,978	Legal consultation, tax law cases and tax auditing services
\$443,419	To provide ongoing legal services to the Office of Alcohol and Tobacco Control, veterinary care, and boarding services for ATC canine.
\$4,539,397	Total Professional Services

Other Charges

Amount	Description
\$718,043	Other charges positions to handle call center operations
\$473,140	Investigative Funds
\$90,000	LDH Compliance Check Grant - Investigative Funds
\$1,281,183	Total Other Charges

Acquisitions & Major Repairs

Amount	Description
\$425,685	Replacement of one vehicle and headsets and office furniture.
\$39,709	Replacement of bulletproof vests, equipment, ammunition, training equipment, office equipment, surveillance equipment, badges with cases, and a multifunctional unit that has a printer, copier, and scanner in one.
\$465,394	Total Acquisitions & Major Repairs

Interagency Transfers Expenses

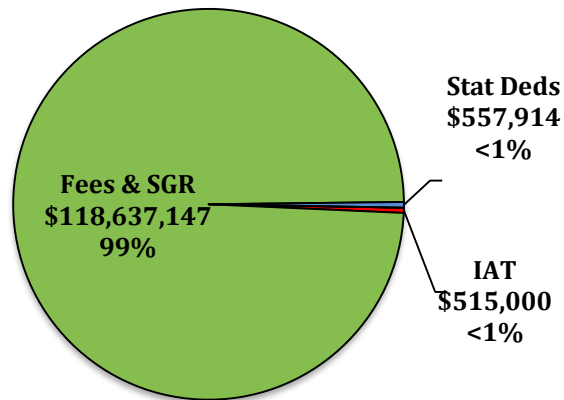
Amount	Description
\$24,260,510	Office of Technology Services (OTS) Fees for IT, mail, and printing services
\$2,580,743	Division of Administration - cost allocation for support services
\$588,425	Legislative Auditor Fees
\$580,056	Office of Risk Management (ORM)
\$444,523	State Treasurer - Central Banking Services Fees
\$394,000	LA Board of Tax Appeals
\$282,934	Civil Service Fees
\$255,115	LaSalle Building Security Overtime
\$237,802	Capitol Park Security Fees
\$150,000	Office of the Attorney General (Investigator Venture)
\$135,533	Risk Management (ORM)
\$83,000	Department of Wildlife and Fisheries Office of Management and Finance
\$50,000	Department of Justice
\$48,216	Uniform Payroll System Fees
\$40,000	Dept. of Children and Family Services (DCFS)
\$30,000	Administrative support for supplies
\$21,616	Office of State Procurement
\$20,000	Division of Administration - State Register Fees
\$18,000	Louisiana Department of Wildlife and Fisheries - Annual Rental Lease
\$13,869	Office of State Police - Annual Lease Rental
\$10,243	Fingerprinting
\$8,000	Office of General Services - Louisiana Property Assistance Agency - for vehicle fleet GPS
\$6,181	Division of Administrative Law
\$3,000	Louisiana Property Assistance (GPS)
\$30,261,766	Total IAT Expenses



Louisiana Department of Revenue

Total Funding	FY23 Actual	FY24 Enacted	FY24 EOB as of 12-1-23	FY25 Recommended	Difference FY24 EOB to FY25 Recommended
State General Fund	\$0	\$0	\$0	\$0	\$0
Interagency Transfers	\$434,837	\$515,000	\$515,000	\$515,000	\$0
Fees and Self-generated Revenue	\$113,003,100	\$117,285,462	\$118,857,224	\$118,637,147	(\$220,077)
Statutory Dedications	\$557,914	\$557,914	\$557,914	\$557,914	\$0
Federal	\$0	\$0	\$0	\$0	\$0
REVENUE TOTAL	\$113,995,851	\$118,358,376	\$119,930,138	\$119,710,061	(\$220,077)
Total Positions	727	724	724	724	0

FY25 Recommended Means of Finance



Sources of Funding:

Interagency Transfers:

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

Fees and Self-generated Revenues:

- 1% of sales, income and corporate franchise tax (net of dedications)
- Penalties for:
 - violating timely filing or remittance of non-resident athlete income tax
 - NSF checks
 - exam costs
 - distraint or property seizure costs
- LA Entertainment Development Fund Account

Statutory Dedications	Source of Funding	FY23 Actual	FY24 EOB as of 12-1-23	FY25 Recommended	Change from FY24 EOB to FY25 Recommended
Tobacco Regulation Enforcement Fund	A portion of the tax charged to consumers for the purchase of cigarettes	\$557,914	\$557,914	\$557,914	\$0
	Total	\$557,914	\$557,914	\$557,914	\$0



Louisiana Department of Revenue

FY24 Enacted vs. FY25 Recommended Comparison by Program

FY24 Enacted Total MOF by Agency	SGF	IAT	FSGR	Stat Deds	Federal	Total
Tax Collection	\$0	\$0	\$106,855,567	\$0	\$0	\$106,855,567
Alcohol & Tobacco Control	\$0	\$515,000	\$7,842,574	\$557,914	\$0	\$8,915,488
Charitable Gaming	\$0	\$0	\$2,587,321	\$0	\$0	\$2,587,321
TOTAL	\$0	\$515,000	\$117,285,462	\$557,914	\$0	\$118,358,376

FY25 Recommended Total MOF by Agency	SGF	IAT	FSGR	Stat Deds	Federal	Total
Tax Collection	\$0	\$0	\$107,621,947	\$0	\$0	\$107,621,947
Alcohol & Tobacco Control	\$0	\$515,000	\$8,268,360	\$557,914	\$0	\$9,341,274
Charitable Gaming	\$0	\$0	\$2,746,840	\$0	\$0	\$2,746,840
TOTAL	\$0	\$515,000	\$118,637,147	\$557,914	\$0	\$119,710,061

Difference FY24 Enacted to FY25 Recommended	SGF	IAT	FSGR	Stat Deds	Federal	Total
Tax Collection	\$0	\$0	\$766,380	\$0	\$0	\$766,380
Alcohol & Tobacco Control	\$0	\$0	\$425,786	\$0	\$0	\$425,786
Charitable Gaming	\$0	\$0	\$159,519	\$0	\$0	\$159,519
TOTAL	\$0	\$0	\$1,351,685	\$0	\$0	\$1,351,685

The Department's total FY25 Recommended Budget increased by **\$1.4M or 1.1%** in Fees and Self-generated Revenues compared to the FY 24 Enacted Budget. This was primarily driven by the following:

- **(-\$789,615)** in net statewide adjustments driven by a decrease in retirement rates **(-\$2.9 million)** and an adjustment to account for vacancies **(-\$2.6 million)** netted with the cost to align base personnel costs with FY 2025 needs **(\$2.7 million)** and funding for standard pay increases **(\$1.6 million)**.
- **\$391,900** to reopen an office in Lake Charles
- **\$586,00** to expand office space throughout the state
- **\$500,000** for a system to match lottery, casino, and sports betting winnings against Office of Debt Recovery debtors
- **\$363,400** in enhancements to various IT systems throughout the department to enhance reporting
- **\$300,000** for litigation services associated with ATC regulation

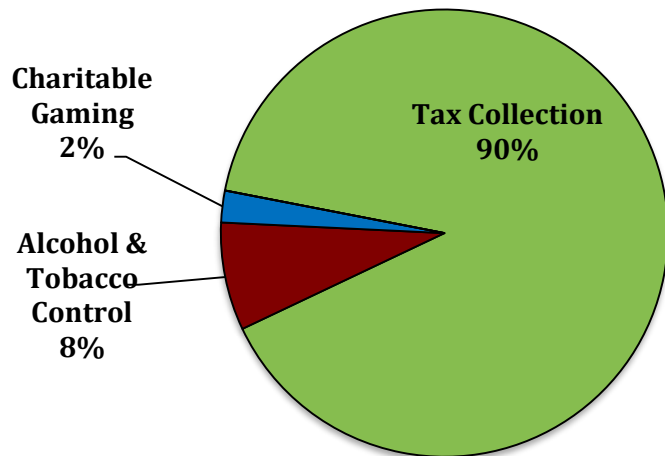


Louisiana Department of Revenue

FY25 Program Breakout

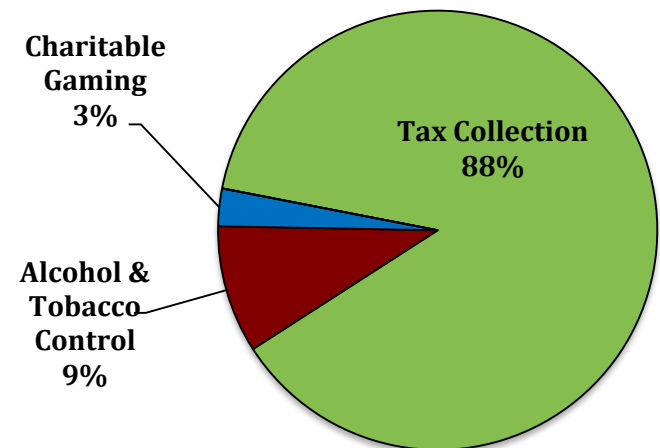
Program	FY23 Actual	FY24 Enacted	FY24 EOB as of 12-1-23	FY25 Recommended	Difference FY24 EOB vs. FY25 Recommended
Tax Collection	\$104,072,628	\$106,855,567	\$107,790,239	\$107,621,947	(\$168,292)
Alcohol & Tobacco Control	\$8,119,223	\$8,915,488	\$9,357,578	\$9,341,274	(\$16,304)
Charitable Gaming	\$1,803,999	\$2,587,321	\$2,782,321	\$2,746,840	(\$35,481)
TOTAL FUNDING	\$113,995,851	\$118,358,376	\$119,930,138	\$119,710,061	(\$220,077)
Tax Collection	639	636	636	636	0
Alcohol & Tobacco Control	68	68	68	68	0
Charitable Gaming	20	20	20	20	0
TOTAL AUTHORIZED POSITIONS	727	724	724	724	0

**FY25 Recommended
Total Means of Finance**



Total \$119.7M

**FY25 Recommended
Authorized Positions**



Total 724

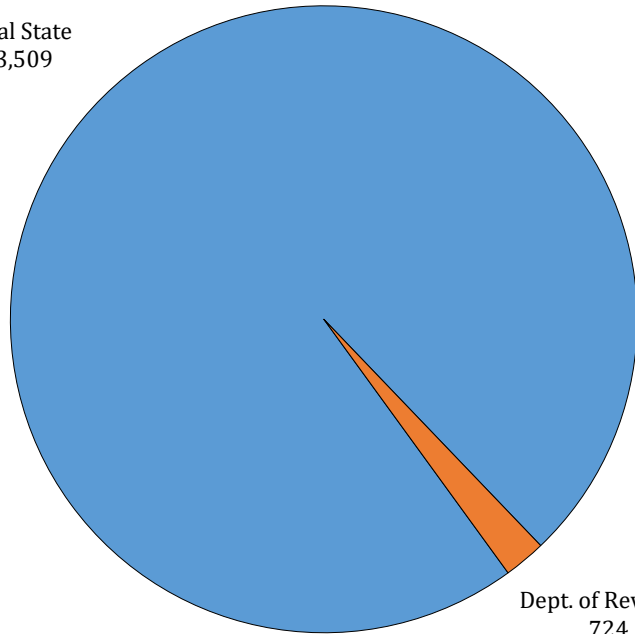


Department of Revenue

FTEs, Authorized T.O., and Other Charges Positions

**FY25 Recommended Department Employees
as a portion of
FY25 HB1 Total State Employees**

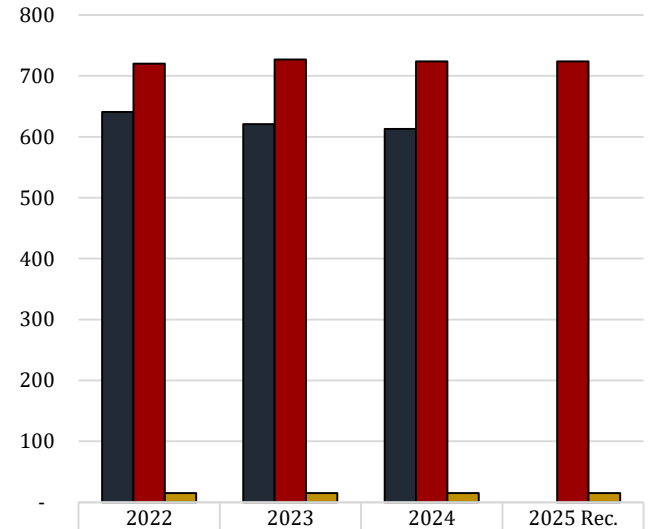
Total State
33,509



Dept. of Revenue
724
2%

FY24 number of funded, but not filled,
positions as of January 29 = 87

**Number
and
Types
of
Positions**



■ Total FTEs (1st July Report)

■ Authorized T.O. Positions

■ Other Charges Positions

The full-time equivalent or **FTE** definition refers to the number of hours considered full-time. For example, if an agency considers 40 hours full time, and there are two employees working 20 hours per week, those two employees would be 1.0 FTE.

Authorized Positions are those referred to in the Table of Organization (or T.O.) for each department. This count includes only those positions paid for from the Salaries expenditure category for the organization units and agencies included in each department's appropriation. This excludes positions paid for from other expenditure categories, such as wages or per diem.

Other Charges positions are authorized under R.S. 39:2(5)(b):

(5)(b) "Authorized other charges positions" means the number of positions in an appropriation bill to be funded by the other charges continuing category of the accounting system for the state. The number may be adjusted during a fiscal year in accordance with law.

- [Act 377 of 2013 by Rep. Burrell]
- Positions coded in the Other Charges expenditure category
- These positions are usually associated with federal grants



Department of Revenue

Related Employment Information

Salaries and Related Benefits for the 724 Authorized Positions are listed below in Chart 1.
In Chart 2, benefits are broken out to show the portion paid for active versus retired employees.
This is where payments for the Unfunded Accrued Liability (UAL) can be found.

1.

Personal Services	2022 Actual	2023 Actual	2024 Enacted	2025 Recommended
Salaries	\$37,259,610	\$39,644,982	\$43,799,692	\$44,902,361
Other Compensation	\$1,184,432	\$1,243,815	\$1,718,388	\$1,718,388
Related Benefits	\$25,760,059	\$26,179,582	\$30,035,812	\$28,493,499
Total Personal Services	\$64,204,101	\$67,068,379	\$75,553,892	\$75,114,248

Average T.O. Salary = \$62,593

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

2.

Related Benefits FY25 Recommended	Total Funding	%
Total Related Benefits	\$28,493,499	
UAL payments	\$12,494,622	44%
Retiree Health Benefits	\$5,859,329	
Remaining Benefits*	\$10,139,548	
Means of Finance	General Fund = 0%	Other = 100%

Department Demographics	Total	%
Gender		
Female	529	76
Male	163	24
Race/Ethnicity		
White	217	31
Black	448	65
Other	27	4
Currently in DROP or Eligible to Retire	75	10

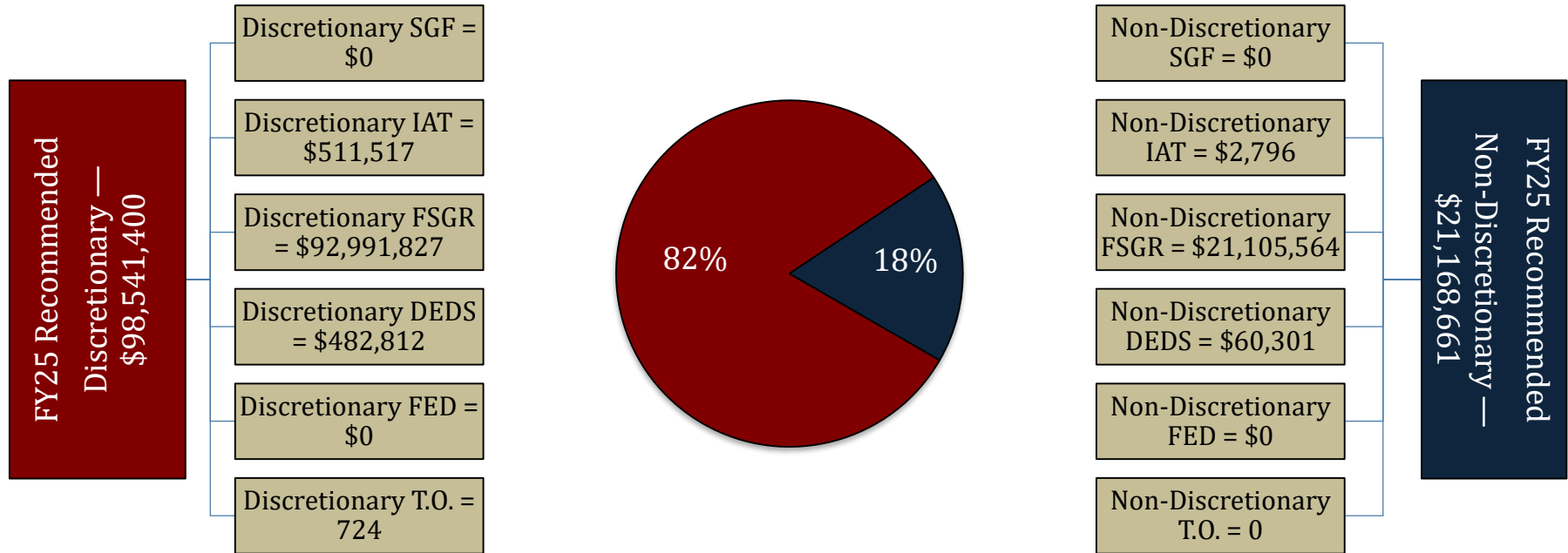
* Remaining Benefits include employer contribution to authorized positions' retirement, health, Medicare, FICA, Emoluments etc. The authorized positions include authorized T.O. positions and authorized other charges positions, both filled and vacant.

Other Charges Benefits
\$482,490



Louisiana Department of Revenue

FY25 Discretionary/Non-Discretionary Comparison



Total Discretionary Funding by Office		
Tax Collection	\$ 88,238,475	90%
Alcohol & Tobacco Control	\$ 7,904,638	8%
Charitable Gaming	\$ 2,398,287	2%
Total Discretionary	\$ 98,541,400	100%

Total Non-Discretionary Funding by Type		
UAL Obligation	\$ 12,494,622	59%
Retirees Group Insurance	\$ 5,859,329	28%
Rent & Maintenance in State-owned Buildings	\$ 2,226,285	11%
Legislative Auditor Fees	\$ 588,425	3%
Total Non-Discretionary	\$ 21,168,661	100%



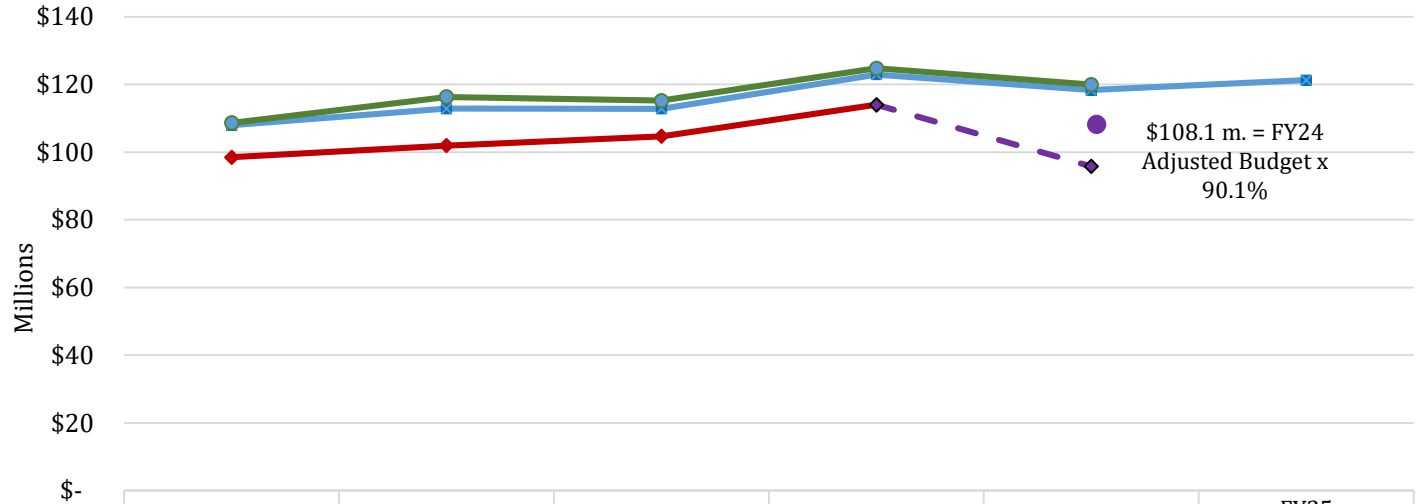
Louisiana Department of Revenue

Enacted & FYE Budget vs. Actual Expenditures FY20 to FY23

FYE Budget = "Fiscal Year End" Budget includes all in-house and regular BA-7s through June 30 of the fiscal year. For FY24, it is as of January.

FY24 Known Supplemental Needs:
\$0

FY23 General Fund Reversions:
\$ 74,925,649



	FY20	FY21	FY22	FY23	FY24 EOB	FY25 Recommended
Enacted Budget	\$107,996,014	\$112,854,331	\$112,808,767	\$122,943,940	\$118,358,376	\$121,249,430
FYE Budget	\$108,662,134	\$116,300,373	\$115,205,194	\$124,781,074	\$119,930,138	
Actual Expenditures	\$98,482,312	\$101,916,566	\$104,670,655	\$113,995,851		
FY24 Expenditure Trend				\$113,995,851	\$95,801,234	

Monthly Budget Activity

	FY24 Adjusted Budget	FY24 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
Jul-23	\$ 118,358,376	\$ 4,934,876	\$ 113,423,500	4.2%
Aug-23	\$ 119,930,138	\$ 13,659,524	\$ 106,270,614	11.4%
Sep-23	\$ 119,930,138	\$ 19,975,065	\$ 99,955,073	16.7%
Oct-23	\$ 119,930,138	\$ 27,779,855	\$ 92,150,283	23.2%
Nov-23	\$ 119,930,138	\$ 39,282,853	\$ 80,647,285	32.8%
Dec-23	\$ 119,930,138	\$ 46,314,610	\$ 73,615,528	38.6%
Jan-24	\$ 119,930,138	\$ 55,884,053	\$ 64,046,085	46.6%

Monthly Budget Activity

	FY24 Adjusted Budget	FY24 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
<i>(Trend based on average monthly expenditures to date)</i>				
Feb-24	\$ 119,930,138	\$ 63,867,489	\$ 56,062,649	53.3%
Mar-24	\$ 119,930,138	\$ 71,850,926	\$ 48,079,212	59.9%
Apr-24	\$ 119,930,138	\$ 79,834,362	\$ 40,095,776	66.6%
May-24	\$ 119,930,138	\$ 87,817,798	\$ 32,112,340	73.2%
Jun-24	\$ 119,930,138	\$ 95,801,234	\$ 24,128,904	79.9%

Historical Year End Average

90.1%



Incentive Expenditure Forecast

Schedule 12 Department of Revenue

Incentive Expenditure Forecast

In accordance with Act 401 of the 2017 Regular Session, below is the listing of the incentive expenditure programs as recognized by the most recent Revenue Estimating Conference. This department administers the following incentive expenditure programs:

INCENTIVE EXPENDITURES:	AUTHORITY	FORECAST
Procurement Processing Company Rebate Program	<i>R.S. 47:6351</i>	\$ 81,519,000
Louisiana Capital Companies Tax Credit Program	<i>R.S. 51:1921</i>	\$ 0

For FY25, the Department of Revenue is forecasting the value of incentive expenditures to be \$81.5M.

This table adopted at Revenue Estimating Conference 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, as the amount forecasted for these incentives are taken from the initial forecasted collections rather than recognized as revenue and appropriated in by the Legislature.

(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)



Louisiana Department of Revenue

Incentive Expenditure Forecast

Incentive Expenditure	Legal Authority	Adm. Agency	FYE 6-22 (Projected)	FYE 6-22 (Actual)	% of Actuals to Projected	FYE 6-23 (Projected)	FYE 6-23 (YTD Actual)	% of Actuals to Projected	FYE 6-24 (Projected)	FYE 6-24 (YTD Actual)	% of Actuals to Projected
Tax Credit for Rehabilitation of Historic Structures	R.S. 47.6019	CRT/LDR	\$185,000,000	\$80,342,821	43%	\$112,200,000	\$86,259,590	77%	\$125,000,000	\$14,599,451	12%
Atchafalaya Trace Heritage Area Development Zone	R.S. 25.1226	CRT/LED	\$0	\$0	N/A	\$0	\$0	N/A	\$0	\$0	N/A
Cane River Heritage Tax Credit	R.S. 47.6026	CRT	\$0	\$0	N/A	\$0	\$0	N/A	\$0	\$0	N/A
		Subtotal	\$185,000,000	\$80,342,821		\$112,200,000	\$86,259,590		\$125,000,000	\$14,599,451	
Brownfields Investor Tax Credit	R.S. 47.6021	DEQ	Negligible	\$0	N/A	\$0	\$0	N/A	\$0	\$0	N/A
		Subtotal	\$0	\$0		\$0	\$0		\$0	\$0	
Louisiana Quality Jobs Program Act	R.S. 51:2451	LED	\$150,000,000	\$198,019,582	132%	\$190,000,000	\$150,061,656	79%	\$190,000,000	\$45,185,070	24%
Motion Picture Investor Tax Credit*	R.S. 47.6007	LED	\$180,000,000	\$152,651,252	85%	\$194,377,000	\$134,482,120	69%	\$180,000,000	\$35,766,087	20%
Louisiana Enterprise Zone Act	R.S. 51:1781	LED	\$43,800,000	\$43,288,448	99%	\$38,700,000	\$23,070,138	60%	\$35,800,000	\$2,077,004	6%
Digital Interactive Media and Software Act	R.S. 47.6022	LED	\$33,825,000	\$22,994,135	68%	\$34,423,000	\$16,914,877	49%	\$86,343,000	\$8,881,600	10%
Research and Development Tax Credit	R.S. 47.6015	LED	\$6,400,000	\$7,577,391	118%	\$6,500,000	\$11,488,084	177%	\$7,400,000	\$4,236,141	57%
Retention and Modernization Act	R.S. 51:2399.1	LED	\$5,000,000	\$2,892,000	58%	\$5,000,000	\$2,302,000	46%	\$6,000,000	\$0	0%
Industrial Tax Equalization Program	R.S. 47:3201	LED	\$6,100,000	\$4,503,247	74%	\$2,500,000	\$2,204,958	88%	\$2,500,000	Negligible	N/A
Angel Investor Tax Credit Program	R.S. 47.6020	LED	\$3,127,000	\$2,532,525	81%	\$3,385,000	\$1,782,014	53%	\$4,070,000	\$269,226	7%
Exemptions for Manufacturing Establishments	R.S. 47:4301	LED	\$1,500,000	\$1,250,291	83%	\$2,500,000	\$886,430	35%	\$750,000	\$0	0%
Musical and Theatrical Productions Income Tax Credit	R.S. 47.6034	LED	\$3,300,000	\$1,246,968	38%	\$3,500,000	\$758,797	22%	\$5,100,000	\$441,406	9%
Sound Recording Investor Tax Credit	R.S. 47.6023	LED	\$81,000	\$21,303	26%	\$75,000	\$47,229	63%	\$50,000	\$0	0%
New Markets Tax Credit **	R.S. 47.6016	LED/LDR	Negligible	\$54,067	N/A	Unable to anticipate	\$0	N/A	Not in effect	Not in effect	N/A
Competitive Projects Payroll Incentive Program	R.S. 51:3121	LED	\$0	\$0	N/A	\$0	\$0	N/A	\$0	\$0	N/A
Ports of Louisiana Tax Credits	R.S. 47.6036	LED	\$0	\$0	N/A	\$0	\$0	N/A	\$0	\$0	N/A
Corporate Headquarters Relocation Program	R.S. 51:3111	LED	Not in effect	Not in effect	N/A	Not in effect	Not in effect	N/A	Not in effect	Not in effect	N/A
Louisiana Community Economic Development Act	R.S. 47.6031	LED	Not in effect	Not in effect	N/A	Not in effect	Not in effect	N/A	Not in effect	Not in effect	N/A
Louisiana Motion Picture Incentive Act	R.S. 47:1121	LED/OFI	Not in effect	Not in effect	N/A	Not in effect	Not in effect	N/A	Not in effect	Not in effect	N/A
Tax Credit for Green Jobs Industries	R.S. 47.6037	LED	Not in effect	Not in effect	N/A	Not in effect	Not in effect	N/A	Not in effect	Not in effect	N/A
Technology Commercialization Credit and Jobs	R.S. 51:2351	LED	Not in effect	Not in effect	N/A	Not in effect	Not in effect	N/A	Not in effect	Not in effect	N/A
University Research and Development Parks	R.S. 17:3389	LED	Not in effect	Not in effect	N/A	Not in effect	Not in effect	N/A	Not in effect	Not in effect	N/A
Urban Revitalization Tax Incentive Program	R.S. 51:1801	LED	Not in effect	Not in effect	N/A	Not in effect	Not in effect	N/A	Not in effect	Not in effect	N/A
		Subtotal	\$433,133,000	\$437,031,209		\$480,960,000	\$343,998,303		\$518,013,000	\$96,856,534	
Procurement Processing Company Rebate Program	R.S. 47.6351	LDR	\$58,000,000	\$40,125,783	69%	\$70,000,000	\$73,100,278	104%	\$81,519,000	\$8,956,188	11%
Louisiana Capital Companies Tax Credit Program***	R.S. 51:1921	LDR	\$0	\$0	N/A	\$0	\$0	N/A	\$0	\$0	N/A
		Subtotal	\$58,000,000	\$40,125,783		\$70,000,000	\$73,100,278		\$81,519,000	\$8,956,188	
Tax Credit for Donations to School Tuition Orgs	R.S. 47.6301	DOE	\$13,500,000	\$11,351,638	84%	\$14,117,000	\$19,213,998	136%	\$20,600,000	\$7,748,996	38%
		Subtotal	\$13,500,000	\$11,351,638		\$14,117,000	\$19,213,998		\$20,600,000	\$7,748,996	
		TOTAL	\$689,633,000	\$568,851,451	82%	\$677,277,000	\$522,572,169	77%	\$745,132,000	\$128,161,169	17%

*Negligible means less than \$10,000; Sorted on FYE 6-23 (YTD)

* **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 Acts 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** - The New Markets Jobs Act reduces insurance premium taxes. An additional \$75M of investment authority was authorized by Act 17 (IES2020) and \$150M by Act 433(RS2023).

*** **Note 3** - Louisiana Capital Companies Tax Credit Program also allows a credit against insurance premium taxes.

This report was prepared in accordance with LA R.S. 39:24.1 for use at the Revenue Estimating Conference scheduled for December 14, 2023.



Five-Year Revenue Loss

Tax Type	FY21	FY22	FY23	FY24 Projected	FY25 Projected
Sales Tax (1)	\$2,391,259,339	\$2,865,107,174	\$3,229,035,473	\$3,384,626,000	\$3,452,314,000
Income Tax - Corporation (3)	\$1,083,965,960	\$1,158,232,320	\$1,486,786,049	\$1,137,607,000	\$1,146,943,000
Income Tax - Individual (2)	\$2,082,508,476	\$2,076,303,805	\$1,603,460,055	\$1,155,715,000	\$1,109,563,000
Tax Incentive and Exemption Contracts (4)	\$458,146,542	\$477,156,992	\$417,098,671	\$569,871,000	\$508,360,000
Natural Resources - Severance Tax	\$244,850,056	\$188,516,159	\$247,139,419	\$454,625,000	\$448,312,000
Petroleum Products Tax	\$260,865,786	\$287,094,135	\$251,654,512	\$277,093,000	\$268,903,000
Corporation Franchise Tax (5)	\$154,024,120	\$173,525,448	\$127,670,499	\$135,399,000	\$137,745,000
Tobacco Tax	\$150,504,744	\$112,329,445	\$92,807,629	\$71,169,000	\$63,457,000
Fiduciary Income Tax (2)	\$28,227,373	\$24,306,939	\$30,313,817	\$14,645,000	\$10,980,000
Public Utilities and Carriers Taxes (6)	\$3,557,690	\$3,719,458	\$9,381,294	\$9,417,000	\$9,417,000
Liquors - Alcoholic Beverage Tax	\$7,030,291	\$6,437,627	\$4,402,761	\$3,716,000	\$3,892,000
Telecommunication Tax for the Deaf (6)	\$76,257	\$77,091	\$74,874	\$75,000	\$76,000
Oil Spill Contingency Fee (6)	\$24,868	\$29,877	\$36,099	\$28,000	\$28,000
Hazardous Waste Disposal Tax (6)	Negligible	10,958	Negligible	Negligible	Negligible
Consumable Hemp Products Tax (6)	NRR	NRR	NRR	NRR	NRR
Total Tax Revenue Loss	\$6,865,041,502	\$7,372,847,428	\$7,499,861,152	\$7,213,986,000	\$7,159,990,000

1. Due to the potential of taxpayer reporting errors on Form R-1029, Louisiana Department of Revenue Sales Tax Return, there is a risk of classification errors for sales tax revenue losses reported in the Tax Exemption Budget document.
2. The estimated revenue loss for FYE 6-24 and 6-25 does not reflect tax reform as provided by Acts 2021, No. 395. The exception to this is noted in the applicable tax listing.
3. The estimated revenue loss for FYE 6-24 and 6-25 does not reflect tax reform as provided by Acts 2021, No. 396. The exception to this is noted in the applicable tax listing.
4. If applicable, the estimated revenue loss for FYE 6-24 and 6-25 does not reflect tax reform as provided by Acts 2021, Nos. 389, 395, and 396.
5. The estimated revenue loss for FYE 6-24 and 6-25 does not reflect tax reform as provided by Acts 2021, No. 389.
6. The revenue loss is included in the Miscellaneous Tax table.

The most recent Five-Year Revenue Loss Chart is provided as an appendix to House Bill 1 each year as required by R.S. 39:51. This information comes from the Louisiana Department of Revenue's Tax Exemption Budget (TEB) that is released each spring.

This chart reflects the amount of revenue *not* collected by the state due to exemption status, such as sales tax on groceries, sales tax on gas, and sales tax on prescription drugs.



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 128 Agency Participation Agreements in the Office of Debt Recovery.

Office of Debt Recovery	
FY15	\$96,474
FY16	\$50,781,585
FY17	\$41,427,463
FY18	\$31,948,792
FY19	\$60,750,004
FY20	\$58,555,958
FY21	\$40,885,082
FY22	\$53,399,691
FY23	\$52,214,984
FY24 thru 12/31/23	\$24,595,042
Collections Since Inception	\$414,655,075

The Department imposes a collection which is added to the debt owed by the taxpayer that is retained by the agency to fund the office. Historically, this was set at 25% in addition to the amount owed - however, this was recently lowered to 15% in 2023.