

# Louisiana Senate Finance Committee



## FY27 Executive Budget

## 12 - Louisiana Department of Revenue

March 2026

*Senator Cameron Henry, President  
Senator Glen Womack, Chairman*





# FY27 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

(Includes the Office of Debt Recovery)

### **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 Debt Recovery** – collects non-tax debt owed to state agencies, universities, and municipalities on accounts and claims that are due and payable.

## 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

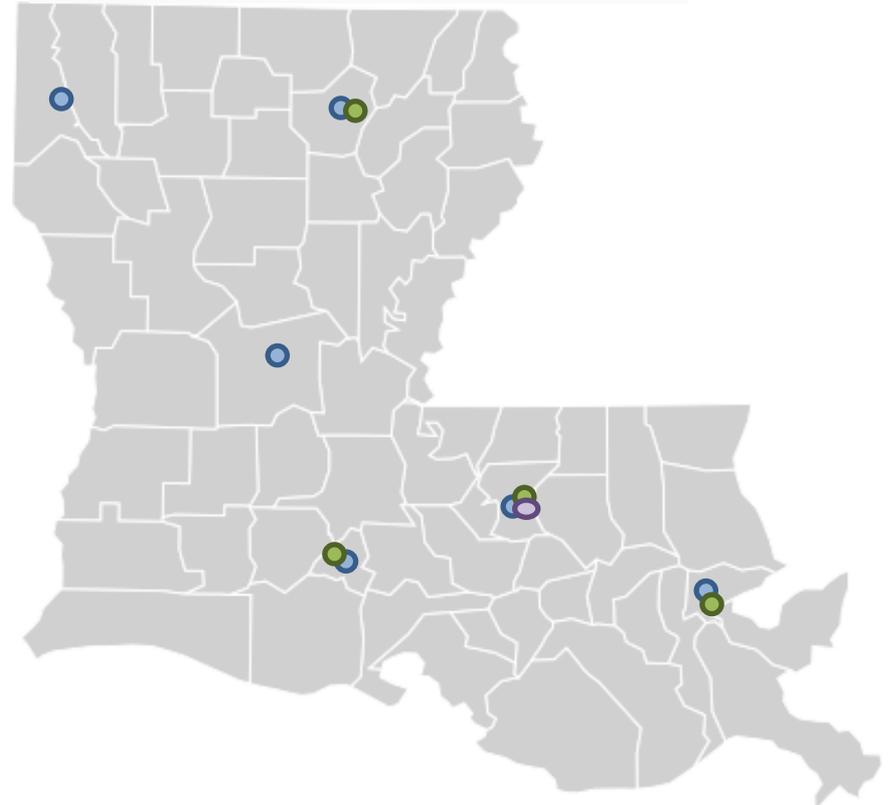
- Baton Rouge (headquarters; LaSalle Building; with the Office of Motor Vehicles)
- New Orleans (Benson Tower)
- Lafayette (with Wildlife and Fisheries and the Office of Motor Vehicles)
- Alexandria (State Office Building)
- Monroe (State Office Building)
- Shreveport (Pierremont Office Park)
- Lake Charles (Opening last quarter of FY 2026; with the Office of Motor Vehicles)

## 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)





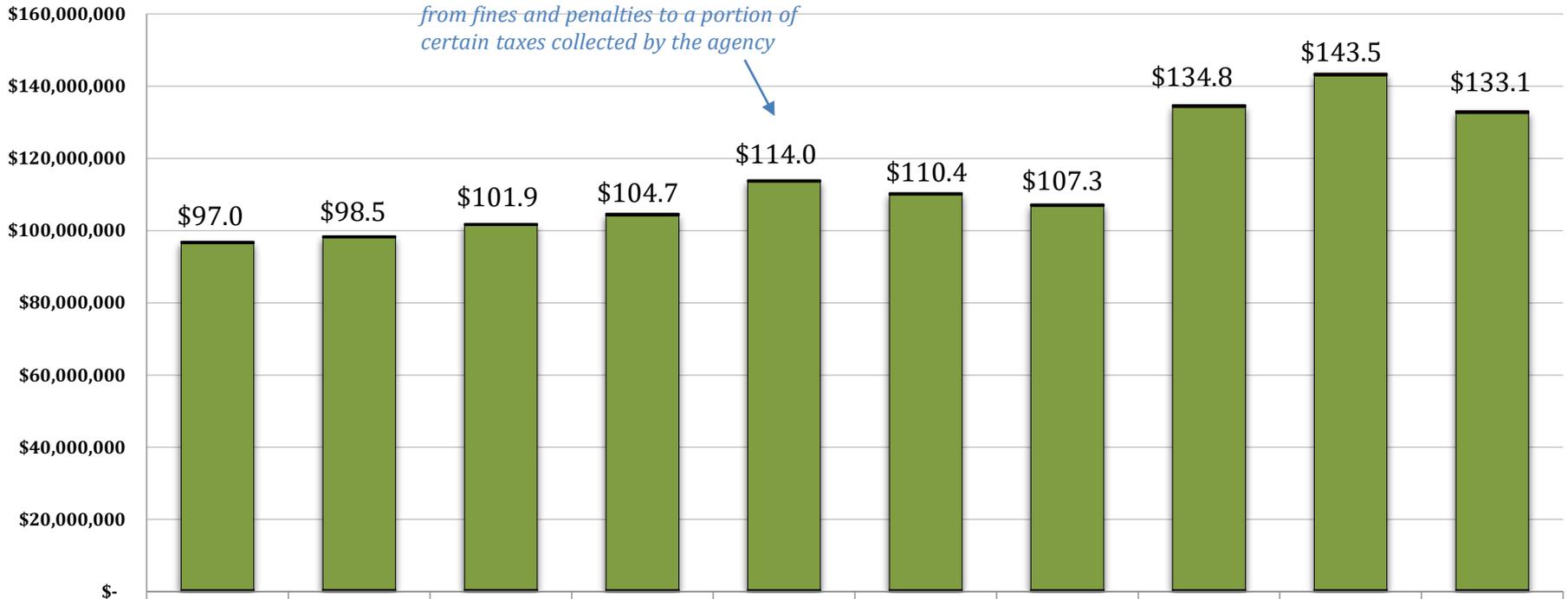
# Louisiana Department of Revenue

## Changes in Funding since FY19

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

Change from FY19 to FY27 is 37.2%.  
(Actual to Recommended)  
Change from FY19 to FY25 is 10.7%.  
(Actual to Actual)

*Act 348 of the 2020 RS changed the primary source of funding for LDR from fines and penalties to a portion of certain taxes collected by the agency*



	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Actual	FY24 Actual	FY25 Actual	FY26 Enacted	FY26 EOB as of 12-1-25	FY27 Recommended
■ SGF	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
■ IAT	\$526,287	\$428,352	\$431,837	\$514,969	\$434,837	\$493,883	\$515,000	\$515,000	\$515,000	\$515,000
■ FSGR	\$95,899,651	\$97,427,102	\$100,826,812	\$103,597,772	\$113,003,100	\$109,371,252	\$106,237,920	\$133,684,770	\$142,410,408	\$132,003,663
■ STAT DED	\$550,000	\$626,858	\$657,914	\$557,914	\$557,914	\$557,914	\$557,914	\$557,914	\$557,914	\$557,914
■ FED	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-



# Act 348 of the 2020 Regular Session

**Act 348 of 2020 Regular Session** changed the mechanism by which the department is funded. As of Fiscal Year 2023, the Department is funded by an amount equal to **1% of sales, income, and corporation franchise tax collections** and certain fees such as NSF check fees, lien fees, and penalties associated with late filing and payment by non-resident professional athletes. General penalties such as delinquent filing and payment penalties, accuracy-related penalties, and fraudulent return penalties are deposited in the State General Fund.

## Tax Collection Program Major Revenue Sources

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

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



# FY27 Recommended Adjustments

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$515,000	\$142,410,408	\$557,914	\$0	\$143,483,322	723	FY26 Existing Operating Budget as of 12/1/25
\$0	\$0	\$126,645	\$31,022	\$0	\$157,667	0	Acquisitions & Major Repairs
\$0	\$0	(\$2,081,225)	\$0	\$0	(\$2,081,225)	0	Attrition Adjustment
\$0	\$0	\$1,785	\$0	\$0	\$1,785	0	Capitol Park Security
\$0	\$0	\$11,770	\$0	\$0	\$11,770	0	Civil Service Fees
\$0	\$0	\$210,448	\$0	\$0	\$210,448	0	Civil Service Training Series
\$0	\$0	\$296,364	\$0	\$0	\$296,364	0	Group Insurance Rate Adjustment for Active Employees
\$0	\$0	\$303,148	\$0	\$0	\$303,148	0	Group Insurance Rate Adjustment for Retirees
\$0	\$0	\$6,819	\$0	\$0	\$6,819	0	Legislative Auditor Fees
\$0	\$0	\$2,928	\$0	\$0	\$2,928	0	Maintenance in State-Owned Buildings
\$0	\$0	\$1,853,937	\$0	\$0	\$1,853,937	0	Market Rate Classified
\$0	\$0	(\$1,102,512)	(\$31,022)	\$0	(\$1,133,534)	0	Non-Recurring Acquisitions & Major Repairs
\$0	\$0	(\$8,725,638)	\$0	\$0	(\$8,725,638)	0	Non-recurring Carryforwards
\$0	\$0	(\$2,257)	\$0	\$0	(\$2,257)	0	Office of State Procurement
\$0	\$0	(\$4,581,621)	\$0	\$0	(\$4,581,621)	0	Office of Technology Services (OTS)
\$0	\$0	\$819,537	\$0	\$0	\$819,537	0	Related Benefits Base Adjustment
\$0	\$0	\$46,466	\$0	\$0	\$46,466	0	Rent in State-Owned Buildings
\$0	\$0	(\$688,074)	\$0	\$0	(\$688,074)	0	Retirement Rate Adjustment
\$0	\$0	\$16,455	\$0	\$0	\$16,455	0	Risk Management
\$0	\$0	\$2,968,290	\$0	\$0	\$2,968,290	0	Salary Base Adjustment
\$0	\$0	\$391	\$0	\$0	\$391	0	State Treasury Fees
\$0	\$0	\$3,217	\$0	\$0	\$3,217	0	UPS Fees
\$0	\$0	(\$10,513,127)	\$0	\$0	(\$10,513,127)	0	<b>Total Statewide Adjustments</b>
\$0	\$0	\$106,382	\$0	\$0	\$106,382	0	Total Other Adjustments
\$0	\$515,000	\$132,003,663	\$557,914	\$0	\$133,076,577	723	<b>Total FY 27 Recommended Budget</b>
\$0	\$0	(\$10,406,745)	\$0	\$0	(\$10,406,745)	0	Total Adjustments (Statewide and Agency-specific)

## Other Adjustments

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	\$106,382	\$0	\$0	\$106,382	0	Increases funding provided to the Board of Tax Appeals for the Administrative Program.
\$0	\$0	\$106,382	\$0	\$0	\$106,382	0	<b>Total Other Adjustments</b>



# 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 FY27 Recommended

The largest expenditure category in the Louisiana Department of Revenue is Personal Services, which comprises 61 percent of the agency's budget. Within this category, Salaries make up 62 percent of expenditures, while Related Benefits contributes 36 percent.

Total Other Charges make up the second largest portion of the agency's budget at 30 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.

### FY27 Recommended Expenditures



Categorical Expenditures	FY25 Actual	FY26 Enacted	FY26 EOB as of 12/01/25	FY27 Recommended	Difference FY26 EOB vs. FY27 REC
Salaries	\$44,440,988	\$47,092,620	\$47,092,620	\$50,181,644	\$3,089,024
Other Compensation	\$1,032,897	\$1,718,388	\$1,718,388	\$1,718,388	\$0
Related Benefits	\$25,437,363	\$28,072,515	\$28,072,515	\$28,665,916	\$593,401
<b>TOTAL PERSONAL SERVICES</b>	<b>\$70,911,248</b>	<b>\$76,883,523</b>	<b>\$76,883,523</b>	<b>\$80,565,948</b>	<b>\$3,682,425</b>
Travel	\$443,401	\$1,027,318	\$1,022,318	\$1,022,318	\$0
Operating Services	\$1,994,144	\$6,605,544	\$6,379,061	\$6,375,936	(\$3,125)
Supplies	\$292,831	\$467,211	\$453,404	\$451,111	(\$2,293)
<b>TOTAL OPERATING EXPENSES</b>	<b>\$2,730,376</b>	<b>\$8,100,073</b>	<b>\$7,854,783</b>	<b>\$7,849,365</b>	<b>(\$5,418)</b>
<b>PROFESSIONAL SERVICES</b>	<b>\$4,113,978</b>	<b>\$4,539,397</b>	<b>\$4,720,290</b>	<b>\$4,539,397</b>	<b>(\$180,893)</b>
Other Charges	\$285,958	\$1,169,122	\$1,169,122	\$1,169,122	\$0
Debt Service	\$0	\$0	\$0	\$0	\$0
Interagency Transfers	\$29,096,094	\$43,199,782	\$51,625,112	\$38,795,078	(\$12,830,034)
<b>TOTAL OTHER CHARGES</b>	<b>\$29,382,052</b>	<b>\$44,368,904</b>	<b>\$52,794,234</b>	<b>\$39,964,200</b>	<b>(\$12,830,034)</b>
Acquisitions	\$173,180	\$865,787	\$1,230,492	\$157,667	(\$1,072,825)
Major Repairs	\$0	\$0	\$0	\$0	\$0
<b>TOTAL ACQ. &amp; MAJOR REPAIRS</b>	<b>\$173,180</b>	<b>\$865,787</b>	<b>\$1,230,492</b>	<b>\$157,667</b>	<b>(\$1,072,825)</b>
<b>TOTAL EXPENDITURES</b>	<b>\$107,310,834</b>	<b>\$134,757,684</b>	<b>\$143,483,322</b>	<b>\$133,076,577</b>	<b>(\$10,406,745)</b>



# Louisiana Department of Revenue

## Categorical Expenditures at FY27 Recommended

### Professional Services

Amount	Description
\$4,095,978	Legal consultation, tax law cases, and tax auditing services
\$443,419	Legal services within ATC
<b>\$4,539,397</b>	<b>Total Professional Services</b>

### Other Charges

Amount	Description
\$605,982	Other charges positions to handle call center operations
\$473,140	Investigative Funds
\$90,000	LDH Compliance Check Grant - Investigative Funds
<b>\$1,169,122</b>	<b>Total Other Charges</b>

### Acquisitions & Major Repairs

Amount	Description
\$100,687	Equipment (cameras, scanners, bulletproof vests, office equipment, uniforms/jackets, etc.) for ATC agents
\$41,200	Replacement forklift for Support Services
\$15,780	Phone headsets for Business Tax Enforcement, Customer Services, Collections, and the Office of Debt Recovery
<b>\$157,667</b>	<b>Total Acquisitions &amp; Major Repairs</b>

### Interagency Transfers Expenses

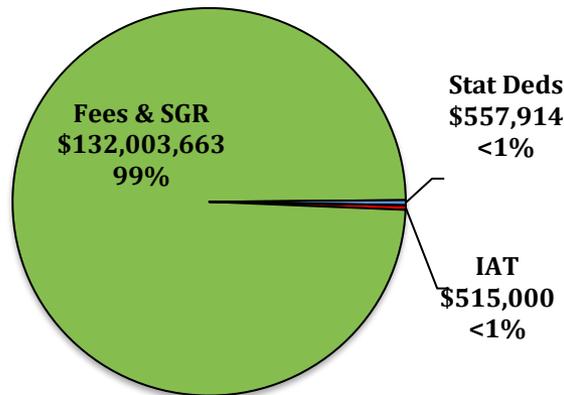
Amount	Description
\$24,867,059	Office of Technology Services (OTS) - Fees
\$5,441,554	OTS - Printing and state mail
\$2,225,364	Rent in State-owned Buildings
\$1,921,261	OTS - Telecommunications
\$1,675,232	La. Bd of Tax Appeals
\$599,855	Office of Risk Management (ORM) Premiums
\$554,385	Legislative Auditor Fees
\$319,582	Civil Service Fees
\$263,901	DPS - LaSalle Building security overtime
\$232,460	Capitol Park Security Fees
\$200,000	Office of the Attorney General
\$194,615	State Treasury Fees
\$99,800	Dept. of Wildlife & Fisheries - Annual Lease Rental
\$48,583	Uniform Payroll System (UPS) Fees
\$47,179	Maintenance in State-owned Buildings
\$40,000	Office of Children and Family Services - Financial Institutions Data Match
\$20,000	DOA - State Register fees
\$13,869	Office of State Police - Annual Lease Rental
\$12,526	Office of State Buildings and Grounds
\$11,000	Louisiana Property Assistance Agency - GPS Services
\$6,853	Office of State Procurement (OSP) Fees
<b>\$38,795,078</b>	<b>Total IAT Expenses</b>



# Louisiana Department of Revenue

Total Funding	FY25 Actual	FY26 Enacted	FY26 EOB as of 12-1-25	FY27 Recommended	Difference FY26 EOB to FY27 Recommended
State General Fund	\$0	\$0	\$0	\$0	\$0
Interagency Transfers	\$515,000	\$515,000	\$515,000	\$515,000	\$0
Fees and Self-generated Revenue	\$106,237,920	\$133,684,770	\$142,410,408	\$132,003,663	(\$10,406,745)
Statutory Dedications	\$557,914	\$557,914	\$557,914	\$557,914	\$0
Federal	\$0	\$0	\$0	\$0	\$0
<b>REVENUE TOTAL</b>	<b>\$107,310,834</b>	<b>\$134,757,684</b>	<b>\$143,483,322</b>	<b>\$133,076,577</b>	<b>(\$10,406,745)</b>
Total Positions	724	723	723	723	0

## FY27 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	FY25 Actual	FY26 EOB as of 12-1-25	FY27 Recommended	Change from FY26 EOB to FY27 Recommended
Tobacco Regulation Enforcement Fund	One cent tax charged to consumers for the purchase per pack of cigarettes	\$557,914	\$557,914	\$557,914	\$0
	<b>Total</b>	<b>\$557,914</b>	<b>\$557,914</b>	<b>\$557,914</b>	<b>\$0</b>



# Louisiana Department of Revenue

## FY26 Budget vs. FY27 Recommended Comparison by Program

FY26 12/1 EOB Total MOF by Agency	SGF	IAT	FSGR	Stat Deds	Federal	Total
Tax Collection	\$0	\$0	\$130,253,678	\$0	\$0	\$130,253,678
Alcohol & Tobacco Control	\$0	\$515,000	\$9,471,852	\$557,914	\$0	\$10,544,766
Charitable Gaming	\$0	\$0	\$2,684,878	\$0	\$0	\$2,684,878
<b>TOTAL</b>	<b>\$0</b>	<b>\$515,000</b>	<b>\$142,410,408</b>	<b>\$557,914</b>	<b>\$0</b>	<b>\$143,483,322</b>

FY27 Recommended Total MOF by Agency	SGF	IAT	FSGR	Stat Deds	Federal	Total
Tax Collection	\$0	\$0	\$120,329,664	\$0	\$0	\$120,329,664
Alcohol & Tobacco Control	\$0	\$515,000	\$8,939,147	\$557,914	\$0	\$10,012,061
Charitable Gaming	\$0	\$0	\$2,734,852	\$0	\$0	\$2,734,852
<b>TOTAL</b>	<b>\$0</b>	<b>\$515,000</b>	<b>\$132,003,663</b>	<b>\$557,914</b>	<b>\$0</b>	<b>\$133,076,577</b>

Difference FY26 EOB to FY27 Recommended	SGF	IAT	FSGR	Stat Deds	Federal	Total
Tax Collection	\$0	\$0	(\$9,924,014)	\$0	\$0	(\$9,924,014)
Alcohol & Tobacco Control	\$0	\$0	(\$532,705)	\$0	\$0	(\$532,705)
Charitable Gaming	\$0	\$0	\$49,974	\$0	\$0	\$49,974
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$10,406,745)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$10,406,745)</b>

The department's total FY 2027 Recommended Budget decreased by **(\$10.4M or 7.3%)** in Fees and Self-generated Revenues compared to the FY 2026 12/1 EOB. This was primarily driven by the following:

- **(\$8.7 million)** reduction of one-time funding moved from FY 2025 into the current year;
- **(\$4.6 million)**, or a sixteen percent, reduction in projected payments to the Office of Technology Services in FY 2027;
- **\$3.5 million** increase to properly align payroll to projected FY 2027 levels;
- **(\$1.1 million)** reduction of one-time acquisitions funding no longer needed in FY 2027; and
- **\$106,382** increase to cover increased costs in the Louisiana Board of Tax Appeals.

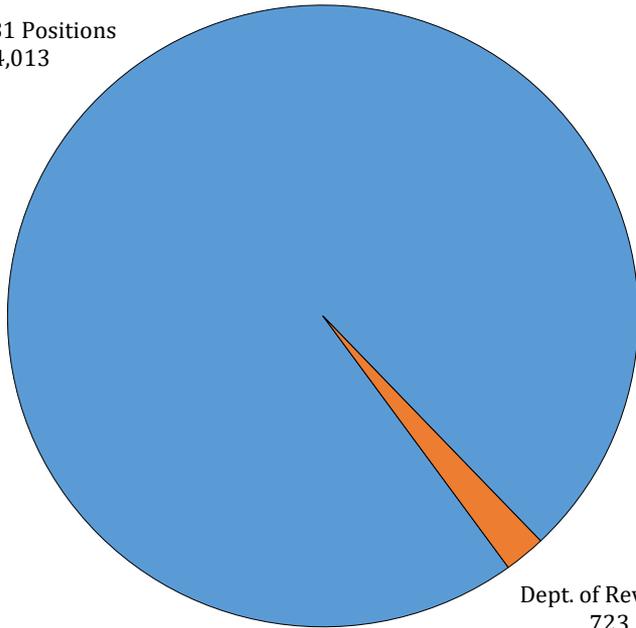


# Department of Revenue

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

### FY27 Recommended Department Positions as a portion of FY27 Recommended HB1 Authorized Positions

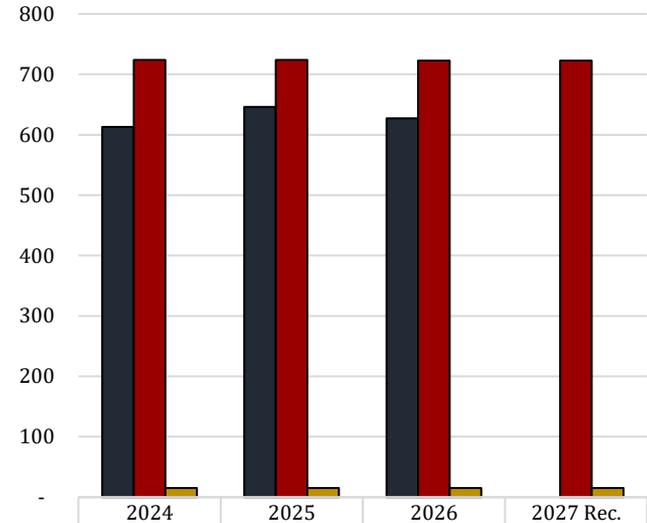
Total HB1 Positions  
34,013



Dept. of Revenue  
723  
2%

FY26 number of funded, but not filled,  
positions as of January 5, 2026 = 93

### Number and Types of Positions



	2024	2025	2026	2027 Rec.
■ Total FTEs (1st July Report)	613	646	627	
■ Authorized T.O. Positions	724	724	723	723
■ Other Charges Positions	15	15	15	15

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 723 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	2024 Actual	2025 Actual	2026 Enacted	2027 Recommended
Salaries	\$41,181,035	\$44,440,988	\$47,092,620	\$50,181,644
Other Compensation	\$1,185,035	\$1,032,897	\$1,718,388	\$1,718,388
Related Benefits	\$26,558,381	\$25,437,363	\$28,072,515	\$28,665,916
<b>Total Personal Services</b>	\$68,924,451	\$70,911,248	\$76,883,523	\$80,565,948

Average T.O. Salary = \$66,245

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

2.

Related Benefits FY27 Recommended	Total Funding	%
Total Related Benefits	\$28,665,916	
UAL payments	\$11,113,974	39%
Retiree Health Benefits	\$6,366,099	
Remaining Benefits*	\$11,185,843	
Means of Finance	General Fund = 0%	Other = 100%

Department Demographics	Total	%
<b>Gender</b>		
Female	495	75
Male	169	25
<b>Race/Ethnicity</b>		
White	212	32
Black	416	63
Other	36	5
<b>Currently in DROP or Eligible to Retire</b>	74	11

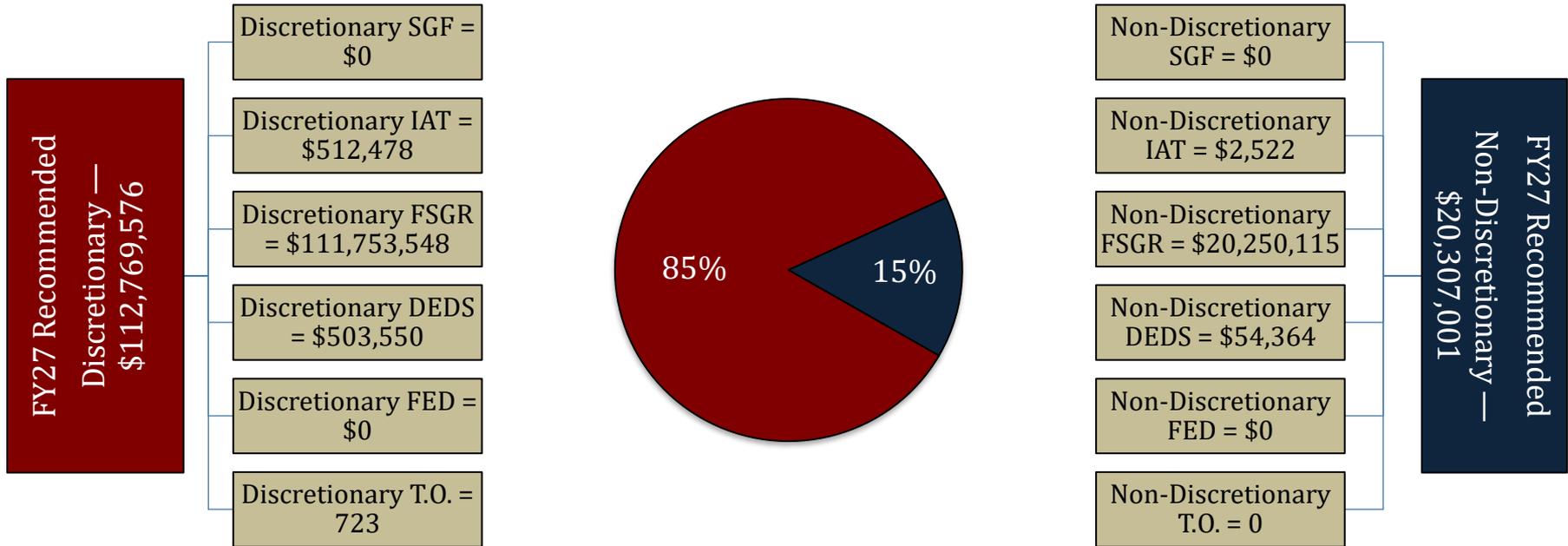
\* Remaining Benefits include employer contribution to authorized positions' retirement, health, Medicare, FICA, Emoluments etc. The authorized positions include authorized T.O. positions and authorized other charges positions, both filled and vacant.

Other Charges Benefits  
\$169,523



# Louisiana Department of Revenue

## FY27 Discretionary/Non-Discretionary Comparison



Total Discretionary Funding by Office		
Tax Collection	\$ 101,770,949	90%
Alcohol & Tobacco Control	\$ 8,660,088	8%
Charitable Gaming	\$ 2,338,539	2%
<b>Total Discretionary</b>	<b>\$ 112,769,576</b>	<b>100%</b>

Total Non-Discretionary Funding by Type		
UAL Obligation	\$ 11,113,974	55%
Retirees Group Insurance	\$ 6,366,099	31%
Rent & Maintenance in State-owned Buildings	\$ 2,272,543	11%
Legislative Auditor Fees	\$ 554,385	3%
<b>Total Non-Discretionary</b>	<b>\$ 20,307,001</b>	<b>100%</b>



# 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:

<b>INCENTIVE EXPENDITURES:</b>	<b>AUTHORITY</b>	<b>FORECAST</b>
Procurement Processing Company Rebate Program	<i>R.S. 47:6351</i>	\$ 83,864,000

For FY27, the Department of Revenue is forecasting the value of incentive expenditures to be \$83.9M.

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 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 6-24 (Actual)	FYE 6-25 (Actual)	FYE 6-26 (Projected)	FYE 6-26 (YTD Actual)	% of Actuals to Projected
Tax Credit for Rehabilitation of Historic Structures	R.S. 47:6019	CRT/LDR	\$67,794,477	\$67,955,092	\$85,000,000	\$18,280,871	22%
Motion Picture Investor Tax Credit <i>(See Note 1)</i>	R.S. 47:6007	LED	\$132,439,615	\$102,029,248	\$125,000,000	\$27,610,108	22%
Digital Interactive Media and Software Act	R.S. 47:6022	LED	\$18,969,966	\$40,657,770	\$62,000,000	\$15,856,177	26%
Research and Development Tax Credit	R.S. 47:6015	LED	\$14,992,052	\$16,977,941	\$12,000,000	\$4,308,029	36%
New Markets Tax Credit <i>(See Note 2)</i>	R.S. 47:6016	LED/LDR	\$10,705,629	\$11,794,371	\$11,250,000	\$0	0%
Procurement Processing Company Rebate Program Organizations	R.S. 47:6351	LDR	\$80,607,500	\$94,041,228	\$83,864,000	\$40,664,879	48%
	R.S. 47:6301	DOE	\$18,681,208	\$21,448,670	\$26,988,000	\$10,545,096	39%
			<b>\$344,190,447</b>	<b>\$354,904,320</b>	<b>\$406,102,000</b>	<b>\$117,265,160</b>	<b>29%</b>
<b>Incentives sunsetted on July 1, 2025</b>							
Louisiana Quality Jobs Program Act	R.S. 51:2451	LED	\$94,409,917	\$78,023,002	\$113,501,000	\$19,306,443	17%
Louisiana Enterprise Zone Act	R.S. 51:1781	LED	\$7,294,061	\$21,065,413	\$28,000,000	\$5,911,137	21%
Retention and Modernization Act	R.S. 51:2399.1-6	LED	\$3,430,579	\$5,640,478	\$6,000,000	\$0	0%
Industrial Tax Equalization Program	R.S. 47:3201-3205	LED	\$1,381,141	\$2,977,487	\$2,367,000	\$1,619,694	68%
Angel Investor Tax Credit Program	R.S. 47:6020	LED	\$1,448,718	\$2,304,862	\$1,420,000	\$717,250	51%
Musical and Theatrical Productions Income Tax Credit	R.S. 47:6034	LED	\$852,752	\$2,143,446	\$5,616,000	\$1,732,255	31%
Sound Recording Investor Tax Credit	R.S. 47:6023	LED	\$22,642	\$60,460	\$22,000	\$19,963	91%
Exemptions for Manufacturing Establishments	R.S. 47:4301-4306	LED	\$0	\$940,279	Unable to anticipate	\$0	
			<b>\$108,839,810</b>	<b>\$113,155,427</b>	<b>\$156,926,000</b>	<b>\$29,306,742</b>	<b>19%</b>
		<b>TOTAL</b>	<b>\$453,030,257</b>	<b>\$468,059,747</b>	<b>\$563,028,000</b>	<b>\$146,571,902</b>	<b>26%</b>

**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 \$125,000,000 credit cap set forth in Acts 11 (3ES2024) . 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 (1ES2020) and \$150M by Act 433(RS2023).

**Note 3**- Incentives not in effect are omitted from this report.

This report was prepared in accordance with LA R.S. 39:24.1 for use at the Revenue Estimating Conference scheduled for December 11, 2025.



# Louisiana 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.

<b>Office of Debt Recovery</b>			
FY15	\$96,474	FY21	\$40,885,082
FY16	\$50,781,585	FY22	\$53,399,691
FY17	\$41,427,463	FY23	\$52,214,984
FY18	\$31,948,792	FY24	\$89,390,029
FY19	\$60,750,004	FY25	\$32,165,416
FY20	\$58,555,958	FY26 through 12/31	\$20,629,874
<b>Collections Since Inception</b>			<b>\$532,245,352</b>

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.