



Report Highlights

Tax Incentive Reporting

Agency Compliance with Act 191 of the 2013 Regular Session

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Why We Conducted This Audit

We conducted procedures to determine if state agencies that administer tax incentives are complying with the reporting requirements outlined in Act 191 of the 2013 Regular Session. This act requires, in part, that agencies annually report to the Legislature the return on investment for their tax incentives and whether these incentives met their intended purposes.

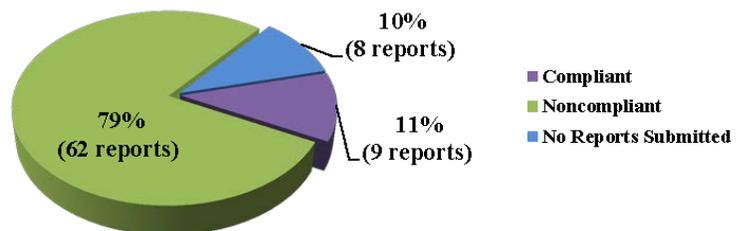
What We Found

Using the Tax Exemption Budget prepared by Louisiana Department of Revenue (LDR), we identified 79 tax incentives administered by six agencies that are subject to the reporting requirements of Act 191.

- Three of six agencies (DOE, DEQ, and CRT) submitted tax incentive reports as of March 23, 2015. As a result, the Legislature only received information on five of the 79 tax incentives administered by these agencies. The revenue loss reported in the 2014-2015 Tax Exemption Budget for the tax incentives with no report was approximately \$1.3 billion.
- Of the 79 tax incentive reports agencies were required to submit to the Legislature by March 1, 2014, 70 (89%) reports were either not submitted or did not comply with all of the reporting requirements. Of the eight tax incentive reports that were not submitted, LED did not submit six, and LDR and CRT each failed to submit one. Based on the amounts provided in the 2013-2014 Tax Exemption Budget, these 70 tax incentives claimed in fiscal year 2013 for which agencies provided no information to the Legislature or did not comply with reporting requirements totaled approximately \$1.1 billion.

Agencies Administering Tax Incentives	
Agency	Number of Incentives
Department of Revenue (LDR)	47
Louisiana Economic Development (LED)	21
Department of Children and Family Services (DCFS)	5
Department of Culture, Recreation, and Tourism (CRT)	3
Department of Environmental Quality (DEQ)	2
Department of Education (DOE)	1
Total	79
Source: Prepared by LLA using the 2013-2014 Tax Exemption Budget prepared by LDR	

Percent of 2014 Reports in Compliance with Act 191



Source: Prepared by LLA using 2014 Act 191 reports submitted to the Legislature

View the full report, including managements' responses, at www.lla.la.gov.