



NEW ORLEANS, LA  
504.582.8000

BATON ROUGE, LA  
225.248.2000

HOUSTON, TX  
713.437.1800

LAFAYETTE, LA  
337.406.5610

MIAMI, FL  
305.679.5700

WASHINGTON, D.C., CAPITOL HILL  
202.203.1000

WASHINGTON, D.C., DOWNTOWN  
202.944.1100

THE WOODLANDS, TX  
281.296.4400

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### Legislation Enacted During the Second Extraordinary Session of 2008

The following is a summary of the fiscal legislation enacted during the Second Extraordinary Session of 2008. For additional information, please contact [Kimberly Robinson](#).

#### House Bill 1 by Rep. Hunter Greene

Currently, the state sales tax on business purchases of electricity and natural gas is 3.3% and, on purchases of steam and water, is 3.8%. The bill decreases the state sales tax on electricity and natural gas to 2.3% and steam and water to 2.8% effective July 1, 2008. The remaining 2.3% and 2.8% is scheduled to expire on June 30, 2009, leaving business purchases of electricity, natural gas, steam, and water exempt from state sales tax. The bill also excludes other fuels or gases, including but not limited to propane and butane, sold for non-residential uses from the current 4% state sales tax.

#### House Bill 5 by Rep. Jim Tucker

The bill authorizes the state to invest in taxable and tax-exempt bonds issued by the Louisiana Stadium and Exposition District ("LSED"). The bill is designed to reduce the LSED's expenditures on interest payments due to current market conditions.

#### House Bill 6 by Rep. Gordon Dove

This bill directs the deposit of \$300 million of the 2006–2007 state general fund surplus into the Coastal Protection and Restoration Fund.

#### House Bill 9 by Rep. Cedric Richmond

Currently, the aggregate amount of tax credit available under the state new markets tax credit program is \$50 million over the life of the program. The bill provides another \$50 million of aggregate tax credit. The aggregate credit can be issued over three years: \$25 million in 2008, \$12.5 million in 2009, and \$12.5 million in 2010. The bill limits the per project investments in Community Development Entities to \$5 million, unless the investment is made in one of the Department of Economic Development's Vision 2020 targeted industries, or the housing or medical industry. If the investment is in a targeted industry, the per project investment is \$15 million. The credits can still only be taken against tax liabilities over three years: 40% the first year, 40% the second year, and 20% the third year.



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### House Bill 18 by Rep. Hunter Greene

Under current law, taxpayers are allowed a state income tax deduction for federal income tax liabilities. Thus, any decrease in federal income tax has a corresponding increase for state income tax purposes. The bill provides that federal income tax rebates and credits received by a taxpayer under the Economic Stimulus Act of 2008 will not be considered a reduction in federal income tax liability.

### House Bill 46 by Rep. Jim Fannin

The bill appropriates the 2006–2007 surplus revenues as recognized by the Revenue Estimating Conference. The bill appropriates revenues to the following:

\$20 million	Unfunded Accrued Liability of the State Employees' Retirement System
\$40 million	Unfunded Accrued Liability of the State Teachers' Retirement System
\$75 million	Major Repairs for Higher Education Facilities (statewide)
\$57 million	Infrastructure for Cyber Innovation Center (Bossier Parish)
\$10 million	Port of Terrebonne Bulkhead, Land Improvements (Terrebonne Parish)
\$90 million	DOTD Rehabilitation, Restoration and Resurfacing (statewide)
\$35 million	DOTD Bridge Repairs, Replacements and Improvements (statewide)
\$10 million	DOTD Off-System Parish Bridge Repair/Replacement Program (statewide)
\$17 million	DOTD Highway Program (statewide)
\$100 million	DOTD I-12 Widening, O'Neal Lane to Walker (East Baton Rouge and Livingston Parishes)
\$17 million	DOTD I-49 from I-220 in Shreveport to the Arkansas Line (Caddo Parish)
\$2 million	DOTD LA 1 Improvements (Lafourche Parish)
\$20 million	DOTD US 90 Widening, I-49 South Corridor (Lafayette Parish)
\$25 million	DOTD LA 28 Widening, Vernon Parish Line to LA 121 (Rapides Parish)
\$35 million	DOTD I-12 Widening, Airport Road to Jct. I-10/I-12/I-59 (St. Tammany Parish)
\$15 million	DOTD LA 73 Widening, Jct. US 61 to Jct. I-10 (Ascension Parish)
\$24 million	DOTD Non-Federal Aid Highways Program (statewide)
\$6 million	DOTD El Camino East West Corridor LA 927W 0 LA 124 (Catahoula, Concordia, LaSalle, Natchitoches, Sabine, and Winn Parishes)
\$42,373,343	Port Construction and Development Priority Program (statewide)
\$24,626,657	Port of New Orleans Napoleon Avenue Container Terminal (Orleans Parish)
\$300 million	DNR Coastal Restoration and Management Projects
\$50 million	New Clinical Research Building at Pennington Biomedical Research Center (East Baton Rouge Parish)



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### Senate Bill 5 by Sen. Rob Marionneau

The bill provides an individual income tax deduction for: tuition, fees, and textbooks for nonpublic elementary and secondary schools; tuition, fees, and textbooks for public elementary and secondary laboratory schools affiliated with public colleges and universities; qualified educational expenses for home-schooled students; and uniforms, textbooks, and school supplies for public school students. The deduction covers 50% of the eligible expenses up to a maximum of \$5,000 per child and covers expenses paid on or after January 1, 2009.

### Senate Bill 7 by Sen. Joel Chaisson

Current law defines “manufacturer” for purposes of the manufacturing machinery and equipment exclusion from state sales tax to include persons within the Information Sector 51 of the 2002 NAICS Codes if they do not have to register with the Louisiana Department of Labor. The bill corrects current law to include persons who do have to register with the Louisiana Department of Labor, as well as those who do not. The bill also limits the exclusion to newspaper publishers within Sector 511110 of the 2002 NAICS Codes.

### Senate Bill 10 by Sen. Rob Marionneau

Currently, the corporate franchise tax on borrowed capital is being phased out over a seven-year period. The first phase was 14% for tax years beginning after December 31, 2005 and before January 1, 2007. The last phase is 100% for tax years beginning after December 31, 2011. This bill accelerates the current phase out by excluding all borrowed capital for tax years beginning before January 1, 2011.

### Senate Bill 11 by Sen. Mike Michot

The bill provides for a dedication of the state sales tax from the sale, use, lease, or rental of motor vehicles to the Transportation Trust Fund. The dedication will be phased in over seven years according to the following schedule:

Fiscal Year 2008–2009:	10%
Fiscal Year 2009–2010:	20%
Fiscal Year 2010–2011:	30%
Fiscal Year 2011–2012:	50%
Fiscal Year 2012–2013:	75%
Fiscal Year 2013–2014:	85%
Fiscal Year 2014–2015:	100%

The bill also accelerates the dedication of revenues from registration, license fees, and taxes on trucks and trailers into the State Highway Improvement Fund. The fiscal year 2009–2010 dedication is increased from 50% to 75%, and the fiscal year 2010–2011 dedication is increased from 75% to 100%.



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Senate Bill 12 by Sen. Rob Marionneau

Currently, the state sales tax exclusion of manufacturing machinery and equipment is being phased in over seven years. The first phase was 5% in the 2004–2005 fiscal year, and the last phase is 100% in the 2010–2011 fiscal year. The bill accelerates the phase-in to fully exclude manufacturing machinery and equipment from state sales tax in fiscal year 2009–2010.