

Regular Session, 2008

SENATE BILL NO. 397

BY SENATOR RISER

FUNDS/FUNDING. Creates the People's Pay Back Fund and requires the deposit of an amount equal to 50% of the amount in excess of the expenditure limit for FY08 and FY09 to be used for providing cash rebates on a pro rata basis, according to the ratio that the amount of individual income tax paid by a taxpayer bears to the total amount of individual income tax paid. (gov sig)

1 AN ACT

2 To enact Subpart P of Part II-A of Subtitle I of Title 39 of the Louisiana Revised Statutes of
3 1950, to be comprised of R.S. 39:100.71, relative to the People's Pay Back Fund; to
4 provide for the deposit of certain amounts in excess of the expenditure limit for
5 certain fiscal years from the state general fund to the special fund; to provide for
6 appropriations for cash rebates from such fund; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. Subpart P of Part II-A of Subtitle I of Title 39 of the Louisiana Revised
9 Statutes of 1950, comprised of R.S. 39:100.71, is hereby enacted to read as follows:

10 **SUBPART P. THE PEOPLE'S PAY BACK FUND**

11 **§100.71. The People's Pay Back Fund**

12 **A. It is the intention of the Legislature in enacting this Section to return**
13 **to the citizens of the state that portion of the surplus, represented by the amount**
14 **of revenue in excess of the expenditure limit, that the citizens personally and**
15 **directly contribute through the individual income tax; that is, approximately**
16 **fifty percent of such surplus.**

17 **B.(1)(a) Immediately upon the effective date of this Act, an amount of**

1 money equal to fifty percent of the amount of money in excess of the
2 expenditure limit calculated by the commissioner of administration for the
3 Fiscal Year 2007-2008 as required by R.S. 39:33.1(A), less any deposit or
4 appropriation to the Budget Stabilization Fund as required by Article VII,
5 Section 10.3 of the Constitution of Louisiana, shall be deposited by the treasurer
6 from the state general fund to a special fund hereby created in the state treasury
7 to be known as the People's Pay Back Fund.

8 (b) Immediately upon such calculation of the expenditure limit for Fiscal
9 Year 2008-2009, an amount of money equal to fifty percent of the amount of
10 money in excess of the expenditure limit for such fiscal year, less any deposit or
11 appropriation to the Budget Stabilization Fund as required by Article VII,
12 Section 10.3 of the Constitution of Louisiana, shall be deposited by the treasurer
13 from the state general fund to the People's Pay Back Fund.

14 (2) The money in the fund shall be appropriated by the legislature each
15 such fiscal year to be used solely as provided for in Subsection D of this Section.

16 C.(1) The money in the fund shall be invested by the treasurer in the
17 same manner as money in the state general fund and interest earned on the
18 investment of the money shall be credited to the fund after compliance with the
19 requirements of Article VII, Section 9B relative to the Bond Security and
20 Redemption Fund.

21 (2) If the legislature fails to make the appropriations required by
22 Subsection D of this Section, then the unexpended and unencumbered money
23 in the fund at the end of the fiscal year shall remain in the fund.

24 D.(1) The money in the People's Pay Back Fund shall be appropriated
25 by the legislature for Fiscal Year 2007-2008 solely and exclusively for providing
26 cash rebates to the taxpayers of Louisiana allocated on a pro rata basis,
27 according to the ratio that the amount of individual income tax, excluding
28 penalty and interest, paid by such taxpayer for his tax year beginning in 2007
29 bears to the total amount of individual income tax, excluding penalty and

1 interest, paid by all taxpayers for their tax years beginning in 2007. For Fiscal
 2 Year 2008-2009, the cash rebate shall be based upon the same calculation, based
 3 upon individual income taxes paid in 2008.

4 (2) The cash rebate provided for in this Section shall not be offset by any
 5 liability of a taxpayer for any tax, penalty, interest, or other charge, it being the
 6 intention of the legislature that the cash rebate provided herein shall be an
 7 economic stimulus and shall not in any manner be considered a tax exemption,
 8 exclusion, deduction, or credit.

9 Section 2. This Act shall become effective upon signature by the governor or, if not
 10 signed by the governor, upon expiration of the time for bills to become law without signature
 11 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 12 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 13 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Riley Boudreaux.

DIGEST

Proposed law requires the treasurer to deposit from the state general fund to the People's Pay Back Fund, immediately upon the effective date of the proposed law, an amount equal to 50% of the amount of money in excess of the expenditure limit calculated for FY08, less any deposit to the Budget Stabilization Fund required by Const. Art. VII, Sec. 10.3 of the Constitution of Louisiana. Also, requires for 50% of such excess to be deposited to the fund in FY09.

Requires the money in the People's Pay Back Fund to be appropriated for FY08 solely and exclusively for providing cash rebates to taxpayers on a pro rata basis, according to the ratio that the amount of individual income tax, excluding penalty and interest, paid by such taxpayer for his tax year beginning in 2007 bears to the total amount of individual income tax, excluding penalty and interest, paid by all taxpayers for their tax years beginning in 2007. For FY09, the calculation is based upon individual income taxes paid in 2008.

Prohibits the cash rebate from being used to offset any liability of a taxpayer for any tax, penalty, interest, or other charge, stating the intent of the legislature that the cash rebate shall be an economic stimulus and shall not in any manner be considered a tax exemption, exclusion, deduction, or credit.

Proposed law provides for the money in the fund to be invested by the treasurer in the same manner as money in the state general fund and interest earned on the investment of the money to be credited to the fund. If the legislature fails to make the appropriations required by the proposed law, then the unexpended and unencumbered money in the fund at the end of the year must remain in the fund.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 39:100.71)