

ACT No. 664

2016 Regular Session

HOUSE BILL NO. 794

BY REPRESENTATIVE ABRAMSON AND SENATORS THOMPSON AND
WALSWORTH

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AN ACT

To amend and reenact R.S. 51:3121(C)(3)(a)(ii) and (4), relative to the Competitive Projects Payroll Incentive Program; to provide for a sales and use tax rebate; to extend the termination date of the program; to provide for rule promulgation; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 51:3121(C)(3)(a)(ii) and (4) are hereby amended and reenacted to read as follows:

§3121. Competitive Projects Payroll Incentive Program

* * *

C. Applications and contract approval and administration.

* * *

(3)(a)

* * *

(ii) No new contract shall be approved on or after ~~July 1, 2017~~ July 1, 2018, but contracts existing on that date may continue and may be renewed.

* * *

(4)(a) In addition, a qualified business shall be entitled to either the ~~same~~ sales and use tax rebates ~~authorized in R.S. 51:1787~~ for capital expenditures for the facility or facilities designated in the contract provided for in Subparagraph (b) of this Paragraph, or the project facility expense rebate provided for in Subparagraph (c) of this Paragraph, ~~if the employer meets the enterprise zone program hiring requirements and all other limitations, procedures, and requirements in R.S. 51:1787.~~

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 (b) Any qualified business which receives a contract pursuant to this Chapter
2 shall also be entitled to a ~~rebate of local sales and use taxes under the same~~
3 ~~procedures and requirements provided for in R.S. 51:1787 for approval of rebates for~~
4 ~~the sales and use taxes of political subdivisions and law enforcement districts,~~
5 ~~including but not limited to the requirement that any such request for a rebate of~~
6 ~~local sales and use taxes be accompanied by an endorsement resolution approved by~~
7 ~~the governing authority of the appropriate political subdivision or law enforcement~~
8 ~~district in whose jurisdiction the qualified business is or will be located.~~ rebate of
9 sales and use tax imposed by the state and imposed by any political subdivision of
10 the state, upon approval of the governing authority of the appropriate political
11 subdivision, including the office of sheriff in the case of a law enforcement district,
12 on the purchases of the materials used in the construction of a building, or any
13 addition or improvement thereon, for housing any legitimate business enterprise or
14 machinery and equipment used in that enterprise.

15 (c) In lieu of the sales and use tax rebate, a qualified business shall be
16 entitled to a project facility expense rebate equal to one and one-half percent of the
17 amount of qualified capital expenditures for the facility or facilities designated in the
18 contract for which an invitation to apply was extended by the secretary before July
19 1, 2015. With respect to projects for which an invitation to apply is extended by the
20 secretary on or after July 1, 2015, a qualified business shall be entitled to a project
21 facility expense rebate equal to one and two-tenths percent of the amount of qualified
22 capital expenditures for the facility or facilities designated in the contract. For
23 purposes of this Subparagraph, the term "qualified capital expenditures" means
24 amounts classified as capital expenditures for federal income tax purposes related to
25 the project plus exclusions from capitalization provided for in Internal Revenue Code
26 Section 263 (a)(1)(A) through (L), minus the capitalized cost of land, capitalized
27 leases of land, capitalized interest, capitalized costs of manufacturing machinery and
28 equipment to the extent capitalized manufacturing machinery and equipment costs
29 are excluded from sales and use tax pursuant to R.S. 47:301(3), and the capitalized
30 cost for the purchase of an existing building. When a qualified business purchases

1 an existing building and capital expenditures are used to rehabilitate the building,
 2 only the costs of the rehabilitation shall be considered qualified capital expenditures.
 3 Additionally, a qualified business shall be allowed to increase its qualified capital
 4 expenditures to the extent the qualified business's capitalized basis is properly
 5 reduced by claiming a federal credit. A qualified business earns the project facility
 6 expense rebate in the qualified business's fiscal year in which the project is placed
 7 in service but the qualified business may not be issued the project facility expense
 8 rebate until the Department of Economic Development signs a project completion
 9 report or such other time as provided for by rule or regulation. ~~The project~~
 10 ~~completion report for the project facility expense rebate shall adhere to the same~~
 11 ~~requirements found in R.S. 51:1787(A)(1)(a)(ii) for the sales and use tax rebate.~~

* * *

13 Section 2. This Act shall become effective on July 1, 2016; if vetoed by the governor
 14 and subsequently approved by the legislature, this Act shall become effective on July 1,
 15 2016, or on the day following such approval by the legislature, whichever is later.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____