
DIGEST

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Walsworth

SB No. 252

Proposed law provides the intent of the legislature that the modernization benefits provided for in proposed law should be used primarily as an inducement for businesses to not relocate to another location outside the state and to modernize their existing operations in Louisiana.

Proposed law provides definitions of words or terms as used in this Chapter.

Proposed law provides for the modernization tax credit that an employer may earn and apply for, and if qualified, be granted a refundable credit on any income or corporation franchise tax liability owed to the state by the employer seeking to claim the credit, in the amount approved by the secretary of the Department of Economic Development for the amount of qualified expenditures incurred by the employer for a modernization.

Proposed law provides DED, after consulting with the executive director of the Louisiana Workforce Commission and the secretary of the Department of Revenue, may issue the modernization credits if the employer meets the requirements.

Proposed law limits the amount of credits which may be granted in a calendar year to no more than \$10 million. DED is required to establish a method of allocating available tax credits to applicants, which may include first come first served. In the event that the total amount of credits granted in a calendar year is less than \$10 million, residual amounts shall carry forward for use in subsequent years.

Proposed law requires DED, LWC, and DOR to promulgate rules necessary in accordance with the Administrative Procedure Act to implement the provisions of proposed law.

Proposed law provides for penalties for any person making a false or fraudulent application, claim for rebate, or instrument.

Effective August 15, 2009.

(Adds R.S. 51:2399.1-2399.6)

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill.

1. Clarifies that "only" the costs of the rehabilitation shall be considered qualified expenditures when an employer purchases an existing building and capital expenditures are used to rehabilitate the building.
2. Clarifies the definition of "project."
3. Clarifies that DED, LA Workforce Commission and DOR shall each promulgate rules in accordance with the Administrative Procedure Act.

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the reengrossed bill.

1. Limits the amount of credits which may be granted in a calendar year to no more than \$10 million.