

New law provides the intent of the legislature that the modernization benefits provided for in new 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.

New law provides definitions of words or terms.

New 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.

New 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.

New 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.

New law provides that an employer earns the modernization tax credit in the tax year in which the project is placed in service but prohibits the employer from claiming the credit until DED signs a project completion form. Prohibits a project placed in service before July 1, 2011 from being eligible for the modernization tax credit.

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

New 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)