

2016 Regular Session

HOUSE BILL NO. 783

BY REPRESENTATIVE ABRAMSON

TAX/TAX REBATES: Relative to the Louisiana Quality Jobs Program

1 AN ACT

2 To amend and reenact R.S. 51:2456(B), relative to the Louisiana Quality Jobs Program; to
3 provide relative to incentive rebates; to provide for definitions; and to provide for
4 related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 51:2456(B) is hereby amended and reenacted to read as follows:

7 §2456. Rebate; payments

8 * * *

9 B.(1) In addition to the rebates provided in this Chapter, an employer who
10 has executed a contract under the provisions of this Chapter shall be entitled to ~~the~~
11 ~~same sales and use tax rebates or refundable investment income tax credit authorized~~
12 ~~in R.S. 51:1787, if the employer meets the enterprise zone program hiring~~
13 ~~requirements and all other limitations, procedures, and requirements in R.S. 51:1787.~~
14 Any contract executed under this Chapter which provides for a rebate of local sales
15 and use taxes shall include the same procedures and requirements under R.S.
16 51:1787 for rebates involving local sales and use taxes, including but not limited to
17 the requirement that any such request for a rebate of local sales and use taxes be
18 accompanied by an endorsement resolution approved by the governing authority of
19 the appropriate municipality, parish, port district, or industrial district board in whose

1 ~~jurisdiction the employer is or will be located.~~ one of the following rebates for
2 capital expenditures:

3 (a) A rebate of sales and use tax imposed by the state on the purchases of the
4 materials used in the construction of a building, or any addition or improvement
5 thereon, for housing any legitimate business enterprise or machinery and equipment
6 used in that business enterprise, for all years beginning the year after the effective
7 date of the contract up to and including the year of project completion.

8 (b) A project facility expense rebate equal to two and one-half percent of the
9 amount of qualified capital expenditures for the facility, or facilities, designated in
10 the contract for all years beginning the year after the effective date of the contract up
11 to and including the year of project completion.

12 (2) For purposes of this Subsection, the term "qualified capital expenditures"
13 shall mean the amounts classified as capital expenditures for federal income tax
14 purposes that are related to the project, plus exclusions from capitalization provided
15 for in Internal Revenue Code Section 263 (a)(1)(A) through (L), minus the
16 capitalized cost of land, capitalized leases of land, capitalized interest, capitalized
17 costs of manufacturing machinery and equipment, to the extent the capitalized costs
18 of manufacturing machinery and equipment are excluded from sales and use tax
19 pursuant to R.S. 47:301(3), and the capitalized cost for the purchase of an existing
20 building. If a business purchases an existing building and capital expenditures are
21 used to rehabilitate the building, only the cost of the rehabilitation shall be
22 considered qualified capital expenditures.

23 (3) A qualified business shall be allowed to increase its qualified capital
24 expenditures to the extent the qualified business' capitalized basis is properly reduced
25 by claiming a federal credit.

26 Section 2. This Act shall become effective on July 1, 2016; if vetoed by the governor
27 and subsequently approved by the legislature, this Act shall become effective on July 1,
28 2016, or on the day following such approval by the legislature, whichever is later.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 783 Original

2016 Regular Session

Abramson

Abstract: Provides relative to the Louisiana Quality Jobs Program

Present law provides for the Quality Jobs Program, which authorizes the granting of contracts by the Board of Commerce and Industry to businesses for the purposes of providing rebates and tax credits for the achievement of certain performance by the business. The term of the contract is five years. Authorizes a rebate equal to the benefit rate as defined in present law multiplied by 80% of the gross payroll of new direct jobs.

Present law entitles employers participating in the Quality Jobs Program to receive the same benefits authorized through the Enterprise Zone Program.

Proposed law replaces the additional benefits in present law that an employer is entitled to receive through the Enterprise Zone Program with the following rebates:

- (1) A sales and use tax rebate for the purchases of materials used in the construction, addition, or improvement of a building used to house the business or its equipment.
- (2) A project facility expense rebate equal to 2.5% of the qualified capital expenditures for the facility.

Proposed law defines "qualified capital expenditures" as capital expenditures for federal income tax purposes related to the project plus exclusions from certain capitalizations as provided for in the Internal Revenue Code, minus certain capitalized costs for land, interest, and machinery.

(Amends R.S. 51:2456(B))