

HOUSE SUMMARY OF SENATE AMENDMENTS**HB 794****2016 Regular Session****Abramson**

TAX/TAX REBATES: Provides relative to the Competitive Projects Payroll Incentive Program

Synopsis of Senate Amendments

1. Makes a technical change that reinstates present law language relative to businesses entitled to sales and use tax rebates through the Competitive Projects Payroll Incentive Program.

Digest of Bill as Finally Passed by Senate

Present law establishes the Competitive Projects Payroll Incentive Program through which businesses may contract with the Dept. of Economic Development for receipt of rebate payments in exchange for the creation of jobs. The contract provides for three different rebates: a rebate based on the amount of new payroll, a sales and use tax rebate for taxes paid, and a rebate equal to a percentage of the amount of certain qualified capital expenditures associated with a facility utilized in the performance of the contract.

Present law entitles a qualified business participating in the program to receive the same benefits authorized through the Enterprise Zone Program.

Proposed law replaces the additional benefits in present law that a qualified business is entitled to receive through the Enterprise Zone Program with 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.

Proposed law modifies the definition of "qualified capital expenditures" relative to capitalized costs of machinery and equipment to specify that the qualifying machinery and equipment are manufacturing machinery and equipment.

Proposed law extends the termination date of the program from July 1, 2017 to July 1, 2018.

Effective July 1, 2016.

(Amends R.S. 51:3121(C)(3)(a)(ii) and (4))