The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

DIGEST 2018 Regular Session

Luneau

<u>Present law</u> sunsets on June 30, 2018, a 20% reduction of payroll rebates made in Act No. 126 of the 2015 R.S. to the Louisiana Quality Jobs and Competitive Projects Payroll Incentive tax incentive programs.

<u>Proposed law</u> makes the rebate reductions permanent by eliminating the reversion to prior law rebate rates.

<u>Present law</u> allows an unlimited amount of tax incentives to be issued under the Enterprise Zone, Louisiana Quality Jobs, and Competitive Projects Payroll Incentive rebate programs.

<u>Proposed law</u> provides annual fiscal year program caps for these programs beginning on July 1, 2018, as follows:

(1) Enterprise Zone (R.S. 51:1781-1791) – \$40 million

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- (2) Louisiana Quality Jobs (R.S. 51:2451-2462) \$100 million
- (3) Competitive Projects Payroll Incentive (R.S. 51:3121) \$5 million

<u>Proposed law</u> allows the annual program caps to be increased by any incentives that are recaptured during the fiscal year.

<u>Present law</u> provides for sales tax rebates for the Louisiana Quality Jobs and Enterprise Zone programs for state and local sales taxes paid on the construction of the facility.

<u>Proposed law</u> reduces these sales tax rebates to 80% of the state and local sales taxes paid on the construction of the facility as to advance notifications received after July 1, 2018.

<u>Present law</u> provides for a project facility expense rebate of 1.5% of the qualified capital expenditures for the facility for the Louisiana Quality Jobs program in lieu of the sales tax rebate at the applicant's option.

<u>Proposed law</u> reduces the project facility expense rebate to 1.2% of the qualified capital expenditures for the facility as to advance notifications received after July 1, 2018.

<u>Proposed law</u> clarifies that the maximum 15% of new payroll eligible for the rebate under the Competitive Project Payroll Incentive program applies for projects for which an invitation to apply was extended before July 1, 2015; this maximum percentage reduces to 12% for projects to which

an invitation to apply is extended on or after July 1, 2015.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 51:2455(A), (D)(3), 3121(C)(3)(b)(i) and (C)(4)(c); adds R.S. 51:1787(A)(1)(a)(vi), 1792, 2456(B)(1)(a)(iv) and (B)(1)(b)(iv), 2463, and 3121(H); and repeals Section 3 of Act 126 of 2015 R.S. and Section 2 of Act 28 of 2016 1E.S.)