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

DIGEST

SB 493 Engrossed

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>Proposed law</u> requires advanced notifications filed on or after July 1, 2018, the sales and use tax rebate authorized in present law will be limited to 80% of the sales and use taxes paid. Further provides that the project facility expense rebate shall be limited to one and 1.2% of qualified capital expenditures for the facilities or facilities designated in the contract.

<u>Present law</u> within ten business days of the receipt of a properly completed rebate request, the Department of Revenue shall rebate 80% of the total amount claimed for rebate in the rebate request.

Proposed law retains present law but changes the rebate time from 10 to 60 days.

<u>Present law</u> provides that within three months of the date of filing the rebate request, the Department of Revenue shall audit the rebate request. During such three-month period, the Department of Revenue shall disallow items determined to be ineligible for rebate. Within ten business days following the expiration of such three-month period, the Department of Revenue shall rebate the remaining 20% of the amount claimed on the rebate request less any amounts properly disallowed during the three-month audit period.

<u>Proposed law retains present law</u> but changes the audit time, the time to disallow items determined to be ineligible for a rebate, and the rebate of the remaining 20% of the claimed rebate from three months to six months.

<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. 51:1787(A)(1)(a)(iv), 2455(A), (D)(3), 2457(B)(3)(b) and (B)(3)(c), 3121(C)(3)(b)(i) and (C)(4)(c); adds R.S. 51:2456(B)(1)(a)(iv) and (B)(1)(b)(iv); and repeals Section 3 of Act 126 of 2015 R.S. and Section 2 of Act 28 of 2016 1E.S.)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

- 1. Provides a cap for sales and use rebates of 80% for the sales and use taxes paid.
- 2. Changes the time frame for the filing and the distribution of rebates, and extends the audit period of certain rebates.