
The original instrument was prepared by Leonore F. Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by James Benton.

DIGEST

SB 23 Engrossed

2018 Second Extraordinary Session

Morrell

Present law provides businesses that are a party to an enterprise zone contract either a rebate of sales tax paid for purchases of machinery and equipment and on purchases of the material used in the construction or improvement of a facility or a refundable investment tax credit of 1.5% of the capitalized costs of construction of the facility.

Proposed law eliminates the sales tax rebate option for enterprise zone advance notifications filed on or after July 1, 2018.

Proposed law retains the 1.5% investment tax credit, but changes the credit from a refundable tax credit to a nonrefundable tax credit with a 10-year carryforward for advance notifications filed on or after July 1, 2018.

Present law provides businesses that are a party to a quality jobs contract either a rebate of sales tax paid for purchases of machinery and equipment and on purchases of the material used in the construction or improvement of a facility or a rebate of 1.5% of the capitalized costs of construction of the facility.

Proposed law provides that the credit will be allowed against the income tax for the taxable period in which the project is placed in service and against the franchise tax for the taxable period following the taxable period in which the project is placed in service. Further provides that if the tax credit allowed pursuant to proposed law exceeds the amount of such taxes due, any unused credit may be carried forward as a credit against subsequent tax liability for a period not to exceed ten years.

Proposed law eliminates the sales tax rebate option for quality jobs advance notifications filed on or after July 1, 2018.

Proposed law retains the 1.5% capitalized project cost incentive, but changes the incentive from a rebate to a nonrefundable income and corporation franchise investment tax credit with a 10-year carryforward for advance notifications filed on or after July 1, 2018.

Effective upon the signature of the governor.

(Amends R.S. 51:1787(A)(intro para), R.S. 51:1787(A)(1)(c), and of R.S. 51:2456(B)(1) (intro para); adds R.S. 51:1787(A)(1)(d) and 2456(C))

Summary of Amendments Adopted by Senate

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

1. Provides that the credits will be allowed against the income tax for the taxable period in which the project is placed in service and against the franchise tax for the taxable period following the taxable period in which the project is placed in service. Further provides for the carry forward of unused credits.
2. Makes technical changes.