
DIGEST

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HCR 6 Original

2022 Regular Session

McCormick

Abstract: Removes wind farms and solar farms from the Industrial Ad Valorem Tax Exemption (ITEP).

Present law comes from administrative rules promulgated by the Department of Economic Development.

The rules comprising present law serve as the regulatory framework for a state incentive program which offers a tax incentive for manufacturers that make a commitment to jobs and payroll in the state.

Present law defines terms, including "manufacturer", "manufacturing", and "mega-project" as follows:

- (1) "Manufacturer" means a person or business who engages in manufacturing at a manufacturing establishment.
- (2) "Manufacturing" means raw materials by means of mass or custom production, including fabrication, applying manual labor or machinery into wares suitable for use or which gives new shapes, qualities or combinations to matter which already has gone through some artificial process. The resulting products must be suitable for use as manufactured products that are placed into commerce for sale or sold for use as a component of another product to be placed, and placed into commerce for sale.
- (3) "Mega-Project" means a manufacturing establishment that provides all of the following:
 - (a) Five hundred jobs, employed directly, only, and otherwise meeting the definition of jobs, which shall generate a minimum of \$20,000,000 in net new payroll within three years of the beginning of operations; and
 - (b) A minimum of \$100,000,000 in capital expenditures.

Proposed law retains the definitions in present law but amends the three definitions listed above to provide the following, respectively:

- (1) A "manufacturer" shall not include a wind or solar farm.

- (2) "Manufacturing" shall not include the creation of any product by a wind or solar farm.
- (3) A wind or solar farm shall not be considered a "mega-project".

Proposed law would apply to industrial ad valorem tax exemption applications filed on or after July 1, 2022.

The changes made to present law in proposed law have the net effect of removing wind and solar farms from the ITEP incentive program.

(Amends LAC 13:I.502)