DIGEST

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Leger HB No. 484

Abstract: Extends the termination date of the Investor Tax Credit and the Import Export Tax Credit from Jan. 1, 2017 to Jan. 1, 2020, reduces the capital cost of a "qualifying project" from $5 million to $1.5 million, and deletes the requirement of certification by the commissioner of administration before the credit can be granted.

Present law authorizes the Department of Economic Development [DED] to grant a credit against corporate income and franchise tax liability equal to the total capital costs of a "qualifying project", to be taken at 5% per tax year, limited to the total cost of the project.

"Qualifying project" is defined as a project sponsored or undertaken by a public port and one or more investing companies that has a capital cost of not less than $5 million and at which the predominant trade or business activity conducted will constitute industrial, warehousing, or port and harbor operations and cargo handling, including any "port or port and harbor activity".

"Port or port and harbor activity" is defined as any trade or business described in the 1997 North American Industry Classification System (NAICS) within Subsector 493 (Warehousing and Storage), Industry Number 488310 (Port and Harbor Operations), or Industry Number 488320 (Marine Cargo Handling).

Proposed law reduces the capital cost of a "qualifying project" from $5 million to $1.5 million and expands the definition of "port or port and harbor activity" to include Industry Number 336611 (Ship Building and Repair) and Industry Number 213112 (Support Activities for Oil and Gas Operations).

Present law requires DED to issue the Investor Tax Credit for a "qualifying project" if the commissioner of administration, after approval of the Joint Legislative Committee on the Budget (JLCB) and the state bond commission certifies to the secretary of DED that sufficient revenue will be received by the state to offset the effect to the state of the tax credits.

Proposed law deletes the requirement of certification by the commissioner of administration before the credit can be granted by DED and requires DED to obtain only the approval of the JLCB.

Present law authorizes the secretary of DED to certify "international business entities" for an Import Export Cargo Credit against the individual and corporate income and corporate franchise tax equal to the product of multiplying $5 by the "international business entity's" number of tons of "qualified cargo" for the taxable year, but only for all or a portion of a fiscal year if the commissioner of administration certifies to the secretary of DED that sufficient revenue will be received by the state to offset the effect of the tax credits whether from increased utilization of public port facilities because of the tax credit, and the certification is approved by the JLCB and the state bond commission.

"International business entity" is defined as a taxpayer entity, all or a portion of whose activities involve the import or export of breakbulk or containerized cargo to or from manufacturing, fabrication, assembly, distribution, processing, or warehousing facilities located within Louisiana.

Proposed law deletes the requirement of certification by the commissioner of administration before the credit can be granted by DED and requires DED to obtain only the approval of the JLCB.

Proposed law extends the termination date of the Investor Tax Credit and the Import Export Credit from Jan. 1, 2017 to Jan. 1, 2020.

Effective August 1, 2013.

(Amends R.S. 47:6036(B)(8) and (13), (C)(1)(b) and (c), (G), (I)(1)(intro. para.) and (c) and (2)(a)(i); Repeals R.S. 47:6036(I)(2)(a)(ii))