

RÉSUMÉ DIGEST

ACT 664 (HB 794)

2016 Regular Session

Abramson

Existing law establishes the Competitive Projects Payroll Incentive Program through which businesses may contract with the Dept. of Economic Development for receipt of rebate payments in exchange for the creation of jobs. The contract provides for three different rebates: a rebate based on the amount of new payroll, a sales and use tax rebate for taxes paid, and a rebate equal to a percentage of the amount of certain qualified capital expenditures associated with a facility utilized in the performance of the contract.

Prior law entitled a qualified business participating in the program to receive the same benefits authorized through the Enterprise Zone Program.

New law replaces the additional benefits in prior law that a qualified business was entitled to receive through the Enterprise Zone Program with a sales and use tax rebate for purchases of materials used in the construction, addition, or improvement of a building used to house the business or its equipment.

New law modifies the definition of "qualified capital expenditures" relative to capitalized costs of machinery and equipment to specify that the qualifying machinery and equipment are manufacturing machinery and equipment.

New law extends the termination date of the program from July 1, 2017 to July 1, 2018.

Effective July 1, 2016.

(Amends R.S. 51:3121(C)(3)(a)(ii) and (4))