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**SENATE COMMITTEE AMENDMENTS**

2017 Regular Session

Amendments proposed by Senate Committee on Revenue and Fiscal Affairs to Original Senate Bill No. 183 by Senator Morrell

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1 AMENDMENT NO. 1

2 On page 1, line 2, after "reenact" delete the remainder of the line and delete line 3, and  
3 insert:

4 "R.S. 51:1787(K), the introductory paragraph of R.S. 51:2452(A), 2453(1), the  
5 introductory paragraph of 2453(2), 2453(2)(a), (b), and (c)(ix), (4), and (6), 2455(E)(1),  
6 2457(A)(2)(b), (f), and (5), 2461, and 3121(C)(3)(a)(ii) and to enact R.S. 17:3389(G), R.S.  
7 51:2367(F), 2453(2)(c)(x), (xi), and (xii), and 2458(11), relative to tax"

8 AMENDMENT NO. 2

9 On page 1, line 7, after "Development" insert:

10 "to increase the benefit rate for the Quality Jobs Program; to provide for employer  
11 qualifications for the Quality Jobs Program; to increase the new direct jobs and gross  
12 payroll thresholds for certain employers for the Quality Jobs Program"

13 AMENDMENT NO. 3

14 On page 1, delete lines 15 through 17, and on page 2, delete lines 1 and 2

15 AMENDMENT NO. 4

16 On page 2, delete line 3, and insert:

17 "Section 2. R.S. 51:1787(K), 2461, and 3121(C)(3)(a)(ii) are"

18 AMENDMENT NO. 5

19 On page 2, line 15, change "2017" to "2022"

20 AMENDMENT NO. 6

21 On page 2, line 17, change "2017" to "2022"

22 AMENDMENT NO. 7

23 On page 2, delete lines 22 through 25

24 AMENDMENT NO. 8

25 On page 3, between lines 4 and 5, insert:

26 "Section 3. The introductory paragraph of R.S. 51:2452(A), 2453(1), the introductory  
27 paragraph of 2453(2), 2453(2)(a), (b), and (c)(ix), (4), and (6), 2455(E)(1), 2457(A)(2)(b),  
28 (f), and (5) are hereby amended and reenacted and R.S. 51:2453(2)(c)(x), (xi), and (xii) and  
29 2458(11) are hereby enacted to read as follows:

30 §2452. Intent

31 A. It is the intent of the Louisiana Legislature that the quality jobs benefits  
32 provided for in this Chapter in contracts for which an application is filed with the  
33 department after May 1, 2002, should be used primarily as an inducement for  
34 businesses to locate or expand existing operations in Louisiana in accordance with  
35 ~~Louisiana Vision 2020~~ and the Department of Economic Development's focus on

1 Louisiana's traditional and seed clusters: Advanced Materials; Agriculture, Forest  
2 and Food Technology; Durable Goods (Marine, Automotive, Aviation);  
3 Entertainment; Information Technology; Biotechnology, Biomedical, and Medical  
4 Industries serving rural hospitals; Logistics and Transportation; Oil and Gas and  
5 Energy; **Headquarters**; and Petrochemical and Environmental Technology. A  
6 business operation should be considered for quality jobs benefits only if the business  
7 meets the provisions of R.S. 51:2453(2). It is the further intent of the Louisiana  
8 Legislature that the following should apply to quality jobs benefits provided both  
9 before and after that date:

10 \* \* \*

11 §2453. Definitions

12 The following words or terms as used in this Chapter shall have the following  
13 meaning, unless a different meaning appears from the context:

14 (1) "Benefit rate" ~~means the following percentages:~~**shall be equal to six**  
15 **percent for new direct jobs created that pay at least twenty-one dollars and**  
16 **sixty-six cents per hour.**

17 (a) ~~For new direct jobs created which pay at least fourteen dollars and fifty~~  
18 ~~cents per hour inclusive of wages and the value of the health care benefits paid or~~  
19 ~~offered in accordance with Paragraph (2) of this Section, the benefit rate shall be five~~  
20 ~~percent, provided that at least fifty percent of the employees holding new direct jobs~~  
21 ~~accept the health care benefits offered.~~

22 (b) ~~For new direct jobs created which pay at least nineteen dollars and ten~~  
23 ~~cents per hour inclusive of wages and the value of the health care benefits paid or~~  
24 ~~offered in accordance with Paragraph (2) of this Section, the benefit rate shall be six~~  
25 ~~percent, provided that at least fifty percent of the employees holding new direct jobs~~  
26 ~~accept the health care benefits offered.~~

27 (2) "Employer" shall mean a legal person who executes a contract with the  
28 department pursuant to the provisions of this Chapter and who offers, or will offer  
29 within ninety days of the effective date of qualifying for the incentive rebates  
30 pursuant to the provisions of this Chapter, a basic health benefits plan to the  
31 individuals it employs in new direct jobs in this state which shall be determined by  
32 the Department of Economic Development to **be in compliance with federally**  
33 **mandated healthcare requirements or, if no federally mandated healthcare**  
34 **requirements exist, shall be determined to** have a value of at least one dollar and  
35 twenty-five cents per hour.

36 (a) The "basic health benefits plan" or the "health insurance coverage"  
37 required to be offered or provided by this Paragraph shall also include coverage for  
38 basic hospital care, and coverage for physician care, as well as coverage for health  
39 care, **which and** shall be the same coverage as is provided to employees employed  
40 in a bona fide executive, administrative, or professional capacity by the employer  
41 who are exempt from the minimum wage and maximum hour requirements of the  
42 federal Fair Labor Standards Act, 29 U.S.C.A. §201, et seq.

43 (b) To qualify for a contract pursuant to this Chapter, employers must meet  
44 one of the following provisions:

45 (i) ~~Must be~~ **The employer is** one of the following ~~six Vision 2020 cluster~~  
46 ~~industries: biotechnology; biomedical, and medical industries serving rural~~  
47 ~~hospitals; micromanufacturing; software, auto-regulation, Internet, and~~  
48 ~~telecommunications technologies; environmental~~ **clean energy** technology; food  
49 technologies; and advanced materials. ~~Any cluster of industries added after May 1,~~  
50 ~~2002, shall qualify for a contract pursuant to this Chapter, if it qualifies under Items~~  
51 ~~(ii) through (vi) of this Subparagraph.~~

52 (ii) ~~Must be~~ **The employer is** a manufacturer, as defined by North American  
53 Industry Classification System (NAICS) codes 113310, 211, 213111, 541360, 311-  
54 339, 511-512, and 54171, as the employer's primary function.

55 (iii) ~~Must be~~ **The employer is** an oil and gas field services business as  
56 defined in North American Industry Classification System (NAICS) code 213112  
57 which has ~~new direct jobs that pay not less than thirty thousand dollars per year and~~  
58 ~~meet the health insurance benefits required under this Paragraph and have Louisiana~~  
59 ~~as the national or regional headquarters of a~~ **multistate multi-state** business whose  
60 service territory includes at least Louisiana and the Gulf of Mexico.

1 (iv) ~~Must have~~ **The employer has**, or will have within one year, sales of at  
2 least fifty percent of its total sales to out-of-state customers or buyers, to in-state  
3 customers or buyers if the products or service is resold by the purchaser to an out-of-  
4 state customer or buyer for ultimate use, or to the federal government. **An**  
5 **independent Louisiana certified public accountant shall annually verify that the**  
6 **contract site meets the out-of-state sales requirement.**

7 (v) ~~Must be~~ **The employer is** located in ~~an area designated by the~~  
8 Department of Economic Development as a distressed region. ~~A distressed region~~  
9 ~~shall be either of the following:~~

10 (aa) ~~A~~ **a** parish which is within the lowest twenty-five percent of parishes  
11 based on per capita income.

12 (bb) ~~A census tract block group that is below the state median per capita~~  
13 ~~income, based upon the latest federal decennial census.~~

14 (cc) ~~If an area is designated a distressed region, such~~ **Such** designation shall  
15 be maintained for the period of the initial quality jobs contract executed pursuant to  
16 this Chapter and during the renewal period of any such contract. ~~To qualify, an~~  
17 ~~employer shall either be located in a distressed region or at least fifty percent of the~~  
18 ~~new direct jobs of the employer shall be filled by persons who reside in a distressed~~  
19 ~~region.~~

20 (vi) **The employer is the corporate headquarters of a multi-state**  
21 **business.**

22 (vii) **The employer is a business that spends fifty percent or more of its**  
23 **time performing services for its out-of-state parent company. These services**  
24 **include but are not limited to legal, marketing, finance, information technology,**  
25 **order management, distribution center operation, or overall operations support.**

26 (viii) **The employer is in the business of maintenance, repair and**  
27 **overhaul operations for commercial transport aircraft.**

28 (c) The following employers or persons engaged in the following professions  
29 or service industries shall not be eligible for any rebate under this Chapter:

30 \* \* \*

31 (ix) Attorneys: **Professional Services firms unless the business can**  
32 **demonstrate that more than fifty percent of its services are provided to**  
33 **out-of-state customers.**

34 (x) **Construction.**

35 (xi) **Staffing agencies.**

36 (xii) **Medical professionals.**

37 \* \* \*

38 (4) "New direct job" means employment in this state of an employee working  
39 at **least** the average hours per week provided for in R.S. 51:2455(E)(2), **who earns**  
40 **at least the benefit rate as defined in R.S. 51:2453(1) and**, who was not previously  
41 on an employer's payroll in Louisiana, nor previously on the payroll of such  
42 employer's parent entity, subsidiary, or affiliate in Louisiana, or previously on the  
43 payroll of any business whose physical plant and employees are substantially the  
44 same as those of the employer in Louisiana. Such job shall be with an employer that  
45 has qualified to receive a rebate pursuant to the provisions of this Chapter, which job  
46 did not exist in this state prior to the effective date the application was filed by the  
47 employer with the Department of Economic Development pursuant to the provisions  
48 of R.S. 51:2455 and which job is filled by an individual domiciled in the state of  
49 Louisiana. "New direct job" shall not mean any job that is a result of job shifts due  
50 to the gain or loss of an in-state contract to supply goods and services. "New direct  
51 job" shall not mean any employees who were retained following the acquisition of  
52 all or part of an in-state business by an employer.

53 \* \* \*

54 (6) "Health care benefits" means the amount of any payment to or on behalf  
55 of an individual in its employ under a plan or system established by an employer  
56 which makes provision for individuals in its employ generally, or for a class or  
57 classes of such individuals, including any amount paid by an employer for insurance  
58 or annuities, or into a fund to provide for any such payment for a basic health  
59 benefits plan or the health insurance coverage, or the value of the health benefits plan  
60 or health insurance coverage offered by the employer to an individual it employs.

1 The value of health care benefits which are offered in accordance with Paragraph (2)  
2 of this Section shall be deemed as having been paid for purposes of determining a  
3 benefit rate, regardless of whether the employee accepts the plan or coverage offered,  
4 provided that at least fifty percent of the employees holding new direct jobs accept  
5 the health care benefits offered.

6 \* \* \*

7 §2455. Incentive rebates

8 \* \* \*

9 E. In order to qualify to receive such rebate, the employer applying shall be  
10 required to:

11 (1) Have an annual gross payroll for a minimum of ~~five~~ **fifteen** new direct  
12 jobs which equals or exceeds ~~five hundred~~ **six hundred seventy-five** thousand  
13 dollars for the employer's fiscal year for which the employer is applying for his third  
14 annual rebate. Employers with no more than fifty employees shall have an annual  
15 gross payroll for a minimum of five new direct jobs which equals or exceeds two  
16 hundred ~~fifty~~ **twenty-five** thousand dollars for the employer's fiscal year for which  
17 the employer is applying for his third annual rebate.

18 \* \* \*

19 §2457. Filing claim to receive rebate; determination; repayment

20 A. Payroll rebate.

21 \* \* \*

22 (2) The application shall contain a sworn statement by a duly authorized  
23 officer of the employer concerning with respect to the employer's fiscal year:

24 \* \* \*

25 (b) The total number of and the gross payroll of:

26 (i) ~~New~~ **new** direct jobs created which were paid a total of at least ~~fourteen~~  
27 ~~dollars and fifty~~ **twenty one dollars and sixty-six** cents per hour inclusive of wages  
28 and the value of health care benefits paid or offered at the time the contract was  
29 entered into.

30 (ii) ~~New direct jobs created which were paid a total of at least nineteen~~  
31 ~~dollars and ten cents per hour inclusive of wages and the value of health care benefits~~  
32 ~~paid or offered at the time the contract was entered into.~~

33 \* \* \*

34 (f) That the employer has offered the basic health benefits plan or the health  
35 insurance coverage as defined in R.S. 51:2453(2)(a) to the individuals it employs in  
36 new direct jobs including coverage for basic hospital care and for physician care, as  
37 well as offered the health insurance coverage as follows:

38 (i) That the employer has offered **a basic health benefits plan that is in**  
39 **compliance with federally-mandated healthcare requirements or, if no**  
40 **federally-mandated healthcare requirements exist, is determined to have a value**  
41 **of** not less than one dollar and twenty-five cents per hour ~~in health care benefits~~ for  
42 full-time employees.

43 (ii) That the employer has offered health insurance coverage for the  
44 dependents of full-time employees.

45 (iii) ~~That at least fifty percent of the employees holding new direct jobs have~~  
46 ~~accepted the health care benefits offered.~~

47 \* \* \*

48 (5) If the actual verified gross payroll for the employer's fiscal year for which  
49 the employer is applying for his third annual rebate does not show a minimum of ~~five~~  
50 **fifteen** new direct jobs and is not of an amount which equals or exceeds a total of  
51 ~~five hundred~~ **six hundred seventy-five** thousand dollars **of new direct jobs payroll**,  
52 or, where applicable according to R.S. 51:2455(E)(1), **does not show a minimum**  
53 **of five new direct jobs and is not of an amount which equals or exceeds** two  
54 hundred ~~fifty~~ **twenty-five** thousand dollars **of new direct jobs payroll**, the tax  
55 liability for the tax period in which the failure to show such minimum occurs shall  
56 be increased by the amount of rebates previously allowed. If at any other time during  
57 the ten-year period when the employer applies for a rebate at the end of the  
58 employer's fiscal year, the actual verified gross payroll for such fiscal year does not  
59 show **the minimum required new direct jobs or the minimum required new**  
60 **direct jobs payroll in accordance with R.S. 51:2455(E)(1)** ~~a minimum of five new~~  
61 ~~direct jobs and an amount which equals or exceeds a total of five hundred thousand~~

dollars, or, where applicable according to R.S. 51:2455(E)(1), two hundred fifty thousand dollars, the rebates shall be suspended and shall not be resumed until such time as the **minimum required new direct jobs and the minimum required new direct jobs payroll in accordance with R.S. 51:2455(E)(1) are verified** actual verified gross payroll shows a minimum of five new direct jobs and an amount which equals or exceeds five hundred thousand dollars or, where applicable according to R.S. 51:2455(E)(1), two hundred fifty thousand dollars. No rebate shall accrue or be paid to the employer during a period of suspension.

\* \* \*

§2458. Employers receiving rebates not eligible to receive certain other tax credits and exemptions

Notwithstanding any other provision of law and except as provided in R.S. 51:2456(B), a qualified employer who receives a rebate pursuant to the provisions of this Chapter shall not be eligible to receive the other credits or exemptions provided for in the following provisions of law in connection with the activity for which the rebate was received:

\* \* \*

**(11) An employer shall not receive any other incentive administered by the Department of Economic Development for any payroll expenditures for which the employer has received a credit pursuant to this Section.**

Section 4. The provisions of Section 3 of this Act shall only apply to advance notifications filed on or after July 1, 2017."

AMENDMENT NO. 9

On page 3, line 5, change "Section 4." to "Section 5."