

SENATE BILL NO. 150

BY SENATORS CHABERT AND MORRELL AND REPRESENTATIVE LEGER

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AN ACT

To amend and reenact R.S. 47:6036(C)(1)(b) as amended by Section 2 of Act No. 125 of the 2015 Regular Session of the Legislature, (G), the introductory paragraph of (I)(1), (I)(1)(c) and (2)(a) and to repeal R.S. 47:6036(C)(1)(b) as amended by Section 5 of Act No. 125 of the 2015 Regular Session of the Legislature and R.S. 47:6036(K), relative to the Ports of Louisiana tax credits; to streamline the approval process; to change the overall credit caps; to extend the sunset date of the credit; to remove an expired reporting provision; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:6036(C)(1)(b) as amended by Section 2 of Act No. 125 of the 2015 Regular Session of the Legislature, (G), the introductory paragraph of (I)(1), (I)(1)(c) and (2)(a) are hereby amended and reenacted to read as follows:

§6036. Ports of Louisiana tax credits

* * *

C. Investor tax credit.

(1) * * *

* * *

(b) The Investor Tax Credit provided for in this Subsection shall be granted by the Department of Economic Development for a qualifying project if the commissioner of administration, after approval of the Joint Legislative Committee on the Budget, ~~and the state bond commission~~ certifies to the secretary of the department that securing the project will result in a significant positive economic

1 benefit to the state. "Significant positive economic benefit" means net positive tax
 2 revenue that shall be determined by taking into account direct, indirect, and induced
 3 impacts of the project based on a standard economic impact methodology utilized
 4 by the commissioner, and the value of the credit, and any other state tax and financial
 5 incentives that are used by the department to secure the project. If the commissioner
 6 with the approval of the committee so certifies, then the Department of Economic
 7 Development may grant a tax credit equal to seventy-two percent of the total capital
 8 costs of such qualifying project to be taken at five percent per tax year or shall grant
 9 such other amount of tax credit to be taken at such other percentage which is
 10 warranted by the significant positive economic benefit determined by the
 11 commissioner, but no tax credit granted for a qualifying project shall exceed one
 12 million eight hundred thousand dollars per tax year. However, the total amount of
 13 tax credits granted on a qualifying project shall not exceed the total cost of the
 14 project. In addition, the investor tax credits granted by the department to any
 15 recipient pursuant to this Section shall be limited to an amount which shall not result
 16 in a reduction of tax liability by all recipients of such credits to exceed four million
 17 five hundred thousand dollars in any fiscal year.

18 * * *

19 G. Termination of investor and import-export cargo tax credits.

20 The provisions of Subsection C and I of this Section shall be effective until
 21 ~~January 1, 2020~~ **July 1, 2021**, and no investor tax credit or import-export cargo tax
 22 credit pursuant to the provisions of this Section shall be granted after such date.

23 * * *

24 I. Import-export cargo tax credit.

25 (1) Certification of taxpayer. Only those taxpayers who have received
 26 certification from the secretary of the Department of Economic Development shall
 27 be eligible to take the tax credits provided for by this Subsection and then only for
 28 the taxable year or years and for the amount provided for in the commissioner of
 29 administration's certification, approved by the Joint Legislative Committee on the
 30 Budget ~~and the state bond commission~~, provided for in Item (2)(a)(ii) of this

1 Subsection as allocated by the secretary. The secretary shall promulgate rules in
 2 accordance with the Administrative Procedure Act which establish the process by
 3 which a taxpayer shall apply for certification.

4 * * *

5 (c) The secretary shall provide a statement of certification to each taxpayer
 6 which he has certified as eligible to take the tax credit after approval of the Joint
 7 Legislative Committee on the Budget ~~and the state bond commission~~, which shall
 8 contain the taxable year or years for which the taxpayer is allowed the tax credit and
 9 the amount of tax credit allocated for such taxable year or years. The secretary shall
 10 also transmit a copy of such statement to the secretary of the Department of
 11 Revenue.

12 (2)(a)(i) For taxable years beginning on and after January 1, 2014, there shall
 13 be allowed a credit against the individual income, corporation income, and
 14 corporation franchise tax liability of a taxpayer who has received certification
 15 pursuant to the provisions of Paragraph (1) of this Subsection; ~~2~~ provided that the
 16 credit shall be allowed only against the tax liability of the international business
 17 entity which receives the certification. The amount of the credit shall be equal to the
 18 product of multiplying three dollars and sixty cents by the taxpayer's number of tons
 19 of qualified cargo for the taxable year which exceeds the pre-certification tonnage
 20 or the product of multiplying the number of dollars by the taxpayer's number of tons
 21 of qualified cargo for the taxable year or portion of a taxable year which exceeds the
 22 pre-certification tonnage which is warranted by the significant positive economic
 23 benefit determined by the commissioner pursuant to Item (ii) of this Subparagraph,
 24 whichever is less. For purposes of this Item, "pre-certification tonnage" means the
 25 number of tons of cargo which meets the definition of qualified cargo for purposes
 26 of this credit, and which was owned by the international business entity receiving the
 27 credit, were imported or exported to or from a manufacturing, fabrication, assembly,
 28 distribution, processing, or warehouse facility located in Louisiana, and which were
 29 so moved by way of an oceangoing vessel berthed at public port facilities in
 30 Louisiana during ~~the 2013 calendar year~~ **the calendar year prior to the year in**

1 **which the application is submitted.** However, each tax credit granted to a taxpayer
 2 shall be subject to the same limit as is provided for a qualifying project pursuant to
 3 Subparagraph (C)(1)(b) of this Section. In addition, the import-export cargo tax
 4 credits granted by the department to any recipient pursuant to this Section shall be
 5 limited to an amount which shall not result in a reduction of tax liability by all
 6 recipients of such credits to exceed four million five hundred thousand dollars in any
 7 fiscal year.

8 (ii) The tax credit provided for in this Subsection shall be allowed if the
 9 commissioner of administration certifies to the secretary of the Department of
 10 Economic Development that ~~provided for in this Subsection whether from the~~
 11 increased utilization of public port facilities and other activity in Louisiana
 12 associated with the import or export of the international business entities qualified
 13 cargo will result in a significant positive economic benefit to the state. "Significant
 14 positive economic benefit" means net positive tax revenue that shall be determined
 15 by taking into account direct, indirect, and induced impacts of the port and state
 16 activity based on a standard economic impact methodology utilized by the
 17 commissioner, and the value of the credit, and any other state tax and financial
 18 incentives that are used by the department to secure the port and state activity
 19 because of the tax credit, and such certification is approved by the Joint Legislative
 20 Committee on the Budget, which approval shall not be granted earlier than July 1,
 21 2014, ~~and the state bond commission.~~

22 * * *

23 Section 2. R.S. 47:6036(C)(1)(b) as amended by Section 5 of Act No. 125 of the
 24 2015 Regular Session of the Legislature and R.S. 47:6036(K) are hereby repealed.

25 Section 3. The provisions of this Act shall supersede and control to the extent of any
 26 conflict between this Act and Act No. 125 of the 2015 Regular Session of the Legislature
 27 as amended by Act No. 29 of the 2016 First Extraordinary Session of the Legislature.

28 Section 4. This Act shall become effective upon signature by the governor or, if not
 29 signed by the governor, upon expiration of the time for bills to become law without signature
 30 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

1 vetoed by the governor and subsequently approved by the legislature, this Act shall become
2 effective on the day following such approval.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____