The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Riley Boudreaux.

DIGEST

Present law provides for the Technology Commercialization Credit and Jobs Program administered by DED, consisting of two refundable tax credits which are limited to being earned for up to 10 "consecutive tax years" at the same location:

1. A refundable technology commercialization credit of 40% of an investment of up to $250,000 per year in "commercialization costs" at one business location along with an agreement with a Louisiana regionally accredited college, technical school, university, or research company to commercialize or research a technology.

   "Commercialization costs" is defined as investment in machinery and equipment directly used in Louisiana which is related to the production of "technology" or is used to produce resources essential to the production of "technology" and all expenditures associated with obtaining the rights to use or the use of "technology".

   "Technology" is defined as the product or intellectual property owned or research sponsored at a regionally accredited college, technical school, or university located in Louisiana or any product or intellectual property to which significant development or enhancement occurred in Louisiana.

   After the first 5 years, a tax credit for 5 additional years may be granted if the applicant meets the requirements above and can "demonstrate that it will continue to increase the number of jobs of the applicant in Louisiana."

2. A refundable tax credit based on 6% of the gross payroll of a minimum of 5 "direct new jobs" (as defined in the Quality Jobs Law at R.S. 51:2453(4)) created which pay an average minimum of $50,000 per year in wages (excluding wages to a more than 30% equity owner) if the applicant meets the requirements of Paragraph (1) above or is a "nonprofit or governmental research center" approved by the secretary of DED.

   Individuals employed in "new direct jobs" also must be "offered" a basic health benefits plan approved and meeting requirements that may be established by DED.

   After the first 5 years, a tax credit for 5 additional years may be granted if the applicant demonstrates that it continues to meet the above requirements and the statutory minimum wage requirement is increased by 12%.

The refundable tax credits expire beginning with the 21st tax year after the tax year in which it was originally earned, applied for, and granted.

Proposed law changes the tax benefit from a refundable tax credit to a "rebate" payable by the secretary of DOR from current collections of income taxes upon receipt of certification from DED of the eligibility of the applicant and the amount of the rebate and any such additional information that the secretary may require. Therefore, the 21 year limit on using tax credits is also removed.

Present law prohibits tax credits from being granted or earned after December 31, 2011.

Proposed law extends the program as a tax rebate program to December 31, 2017.

Present law prohibited anyone receiving the tax credits from being eligible for a limited list of tax benefits.

Proposed law prohibits anyone receiving the rebates from receiving any other state credit, exemption, exclusion, rebate, or any other tax incentive for any expenditures for which the taxpayer has received a rebate under the program.

Applicable to qualifying expenditures made on or after July 1, 2011.

Effective July 1, 2011.

(Amends R.S. 51:2352(3) and 2353 through 2356)