Regular Session, 2011

HOUSE BILL NO. 381

BY REPRESENTATIVE GREENE AND SENATOR MICHOT

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX/TAX REBATES: Clarifies and specifies the value of health care benefits offered to employees as a factor in the determination of qualification for tax rebates under the Louisiana Quality Jobs Program

AN ACT

To amend and reenact R.S. 51:2453(1) and (6), 2455(A), and 2457(A)(2)(a), (b), and (f), relative to tax rebates; to provide with respect to the Louisiana Quality Jobs Program; to provide for definitions; to specify that the value of health insurance benefits offered to employees shall be included in the consideration of the value of a new direct job; to provide for effectiveness; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 51:2453(1) and (6), 2455(A), and 2457(A)(2)(a), (b), and (f) are hereby amended and reenacted to read as follows:

§2453. Definitions

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

(1) "Benefit rate" means the following percentages:

(a) For new direct jobs created which pay at least fourteen dollars and fifty cents per hour ~~in wages and health care benefits~~ inclusive of wages and the value of the health care benefits paid or offered in accordance with Paragraph (2) of this Section, the benefit rate shall be five percent ~~of the new direct jobs receiving the wage provided for in this Subparagraph~~.

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

* * *

(6) "Health care benefits" means the amount of any payment to or on behalf of an individual in its employ under a plan or system established by an employer which makes provision for individuals in its employ generally, or for a class or classes of such individuals, including any amount paid by an employer for insurance or annuities, or into a fund to provide for any such payment for a basic health benefits plan or the health insurance coverage, or the value of the health benefits plan or health insurance coverage offered by the employer to an individual it employs. The value of health care benefits which are offered in accordance with Paragraph (2) of this Section shall be deemed as having been paid for purposes of determining a benefit rate, regardless of whether the employee accepts the plan or coverage offered.

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§2455. Incentive rebates

A. An employer who has entered into a contract may receive a rebate for the taxable periods specified in the contract entered into pursuant to the provisions of this Chapter in an amount which shall be equal to the benefit rate as defined in R.S. 51:2453(1), multiplied by the gross payroll, as defined in R.S. 51:2453(3), of new direct jobs as defined in R.S. 51:2453(4), for the taxable period as verified by the Department of Economic Development through the use of information provided to it by the Louisiana Workforce Commission. In no instance shall a rebate be determined by multiplying the value of the health care benefits by the benefit rate.

* * *

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

A.

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

(a) That the employer remained a qualified employer under the provisions of R.S. 51:2453(2)~~(f) and (g)~~ (b) and (c), and shall state the nature of the employer's qualification.

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

(i) New direct jobs created which were paid a total of at least fourteen dollars and fifty cents per hour ~~in~~ inclusive of wages and the value of health care benefits paid or offered at the time the contract was entered into.

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

* * *

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

(i) That the employer has ~~paid~~ offered not less than one dollar and twenty-five cents per hour in health care benefits for full-time employees ~~who chose to participate~~.

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

Section 2. The provisions of this Act shall only be applicable to rebate requests filed by employers on or after July 1, 2012.

Section 3. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Greene HB No. 381

Abstract: Provides with respect to the value of health care benefits offered to employees in the determination of qualifications for tax rebates under the La. Quality Jobs Program.

Present law provides for the definition of "benefit rate" for use in calculating sales, income, and corporation franchise tax rebates. Benefit rate is based on the amount of wages and health care benefits provided for a new direct job. The amount of a rebate is based on the benefit rate multiplied by the employer payroll.

Proposed law retains present law and clarifies that the value of the health care benefits offered shall be included with the amount of wage with the determination of the qualification of a job to receive a certain benefit rate.

Present law provides for the definition of "health care benefits" for use in determining the benefit rate, which rate is used in calculating sales, income, and corporation franchise tax rebates.

Proposed law retains present law and specifies that the value of health care benefits offered in accordance with the provisions of present law shall be treated as having been paid, regardless of whether an employee accepts the health plan or coverage.

Provides that proposed law applies only to rebate requests filed by employers on or after July 1, 2012.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 51:2453(1) and (6), 2455(A), and 2457(A)(2)(a), (b), and (f))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Changed the condition and the period for which proposed law becomes applicable from retroactively and for contracts subject to the provisions of Act No. 387 of the 2007 R.S. to rebate requests filed by employers on or after July 1, 2012.

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