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## DIGEST

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Claitor

SB No. 134

Present law provides for the Technology Commercialization Credit and Jobs Program administered by the Dept. of Economic Development, hereinafter "DED", consisting of two refundable tax credits which may be earned for up to 10 years:

1. A refundable technology commercialization credit equal to 40% of an investment of no more than \$250,000 per year in "commercialization costs" at one business location if the applicant has an agreement with a Louisiana regionally accredited college, technical school, university, or research company to commercialize or research the 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.

Tax credits are granted for 5 years, after which, credits for 5 additional years may be granted if the applicant continues to meet program requirements.

2. A refundable tax credit based on 6% of the gross payroll of at least 5 "direct new jobs" which pay an average minimum wage of \$50,000 per year if the applicant meets the requirements for earning a technology commercialization credit or is a "nonprofit or governmental research center" approved by the secretary of DED. Individuals employed in "new direct jobs" must be offered basic health benefits.

Tax credits are granted for 5 years, after which, credits for 5 additional years may be granted if the applicant demonstrates continued maintenance of eligibility requirements and the statutory wage requirement is increased by 12%.

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

Proposed law extends the program through December 31, 2017 as the Technology Commercialization Rebate and Jobs Program, with generally the same provisions and requirements as the tax credit program.

Proposed law changes the incentive from a refundable tax credit to a rebate payable by the secretary of the Dept. of Revenue from current income tax collections. Rebates are payable upon the secretary's receipt of certification by DED of the applicant's eligibility and the amount of the rebate.

Present law prohibits a recipient of technology commercialization tax credits from being eligible for various other tax benefits.

Proposed law deletes present law and prohibits a recipient of technology commercialization rebates from receiving any other incentive administered by the Dept. of Economic Development.

Present law provides that the tax credits expire beginning the 21<sup>st</sup> tax year after the tax year in which originally granted.

Proposed law deletes present law regarding the expiration of tax credits.

Provisions of proposed law are 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)

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill.

1. Makes technical changes.

Summary of Amendments Adopted by House

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

1. Changes the restriction that taxpayers receiving a technology commercialization rebate are prohibited from receiving other tax incentives from a prohibition on receiving any other state tax incentives to a prohibition on receiving any other incentive administered by the Dept. of Economic Development.
2. Technical changes.