

## SENATE SUMMARY OF HOUSE AMENDMENTS

**SB 134 By Senator Claitor****KEYWORD AND SUMMARY AS RETURNED TO THE SENATE**

TAX/TAXATION: Extends the Technology Commercialization Credit and Jobs Program from December 31, 2011 to December 31, 2017 (7/1/11)

**SUMMARY OF HOUSE AMENDMENTS TO THE SENATE BILL**

1. Changes "rebate" back to "credit".
2. Reinstates present law for claiming a credit on any income or corporation franchise tax liability against taxes owed to Louisiana.
3. Reinstates present law for application and granting of a refundable tax credit on any income or corporation franchise tax liability and earning of a refundable tax credit.
4. Changes the restriction that taxpayers receiving a technology commercialization credit 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.
5. Deletes that proposed law provisions are applicable to qualifying expenditures made on or after July 1, 2011.
6. Reinstates present law that tax credits expire beginning the 21<sup>st</sup> tax year after the tax year in which originally granted.
7. Adds R.S. 47:6038 and R.S. 51:2306 relative to submission of certain reports by secretary of Dept. of Economic Development to the Joint Legislative Committee on the Budget.

**DIGEST OF THE SENATE BILL AS RETURNED TO THE SENATE**

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.

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 credit 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 retains present law.

Proposed law requires secretary of the Dept. of Economic Development to report each January 30<sup>th</sup> to the Joint Legislative Committee on the Budget information concerning the granting and denial of tax credits and rebates ("tax incentives") administered by the department, including a list of recipients of each tax incentive and applicants denied tax incentives over the past calendar year, and the names and primary place of business of each applicant.

Effective July 1, 2011.

(Amends R.S. 51:2352(3) and 2353 through 2356; adds R.S. 47:6038 and R.S. 51:2306)

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