Claitor (SB 134) **Act No. 416**

Prior law provided 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 five years, after which, credits for five 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 five "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 five years, after which, credits for five additional years may be granted if the applicant demonstrates continued maintenance of eligibility requirements and the statutory wage requirement is increased by 12%.

Prior law prohibited tax credits from being granted or earned after December 31, 2011. New law extends the program through December 31, 2017.

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

New law deletes prior law and prohibits a recipient of technology commercialization credit from receiving any other incentive administered by the DED.

Prior law provided that the tax credits expire beginning the 21st tax year after the tax year in which originally granted. New law retains prior law.

New law requires the DED secretary to report each January 30th 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)