The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Laura Gail Sullivan.

DIGEST

SB 228 Original

2015 Regular Session

Donahue

<u>Present law</u> provides for an exemption from state taxes for manufacturing establishments, headquarters, or warehousing and distribution establishments to equalize the taxes payable in La. and taxes which would be payable in a competing state in which the business is currently located or is contemplating locating. Provides for requirements, application, and review by the Dept. of Economic Development, the Board of Commerce and Industry, and the Dept. of Revenue.

Proposed law retains present law.

<u>Proposed law</u> establishes a cap of nine million dollars on the total amount of exemptions allowed in a fiscal year beginning with FY 2015-16. The cap is the baseline average of the aggregate amount of claims filed for the exemptions provided for in <u>present law</u> during the five fiscal years from FY 2008-09 to FY 2013-14.

<u>Proposed law</u> provides that claims for the exemption shall be allowed on a first-come, first-served basis. Provides that any taxpayer whose claim for the exemption is disallowed may use the exemption against tax liability in the next fiscal year and his claim shall have priority over other claims filed after the date and time of his original claim.

Proposed law terminates the exemption program June 30, 2021.

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

(Amends R.S. 47:3202(A)(intro para), 3203(B), and 3204(A), (B)(1)(a), and (F); adds R.S. 47:3204(B)(1)(c) and 3206)