

2015 Regular Session

HOUSE BILL NO. 635

BY REPRESENTATIVE JACKSON

1 AN ACT

2 To amend and reenact R.S. 51:1787(B)(3)(b), 2455(A), 3114(B), and 3121(C)(3)(b)(i) and  
3 (4)(c) and to enact R.S. 51:2367(E) and 2455(D)(3), relative to rebates; to provide  
4 for eligibility; to provide for a sunset of the reductions; to provide for effective dates;  
5 and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 51:1787(B)(3)(b) is hereby amended and reenacted to read as  
8 follows:

9 §1787. Incentives

10 \* \* \*

11 B. The board may enter into the contracts provided in Subsection A of this  
12 Section provided that:

13 \* \* \*

14 (3)

15 \* \* \*

16 (b) In addition to the requirements of Subparagraph (a) of this Paragraph,  
17 eligibility for a retail business which is assigned a North American Industry  
18 Classification Code of 44 or 45 and has more than one hundred employees  
19 nationwide including affiliates prior to the contract effective date shall be limited to  
20 grocery stores and pharmacies located in an enterprise zone, as such terms are  
21 defined by the department by rules promulgated in accordance with the  
22 Administrative Procedure Act. Notwithstanding any other provision of law to the  
23 contrary, a retail business which is assigned a North American Industry  
24 Classification Code of 44, 45, or 722 and whose contract is not entered into before  
25 July 1, 2015, shall be ineligible to receive benefits pursuant to the provisions of this





1                   (b) The number of headquarters jobs and associated payroll to be created and  
2                   maintained and any other performance obligations deemed appropriate by the  
3                   secretary.

4                   (c) The reduction of annual rebate payments if performance obligations are  
5                   not met.

6                                   \*       \*       \*

7                   §3121. Competitive Projects Payroll Incentive Program

8                                   \*       \*       \*

9                   C. Applications and contract approval and administration. (1) At the  
10                  invitation of the secretary, a business may apply for a contract by submitting to the  
11                  department such certified statements and substantiating documents as the department  
12                  may require.

13                                  \*       \*       \*

14                  (3)(a)

15                                  \*       \*       \*

16                  (b) The contract shall provide for a rebate to the qualified business based  
17                  upon new payroll and shall include the following provisions:

18                  (i) The percentage of new payroll eligible for rebate, up to a maximum of  
19                  fifteen percent. With respect to projects for which an invitation to apply is extended  
20                  by the secretary on or after July 1, 2015, pursuant to this Section, the percentage of  
21                  new payroll eligible for rebate shall not exceed twelve percent.

22                                  \*       \*       \*

23                  (4)

24                                  \*       \*       \*

25                  (c) In lieu of the sales and use tax rebate, a qualified business shall be  
26                  entitled to a project facility expense rebate equal to one and one-half percent of the  
27                  amount of qualified capital expenditures for the facility or facilities designated in the  
28                  contract for which an invitation to apply was extended by the secretary before July  
29                  1, 2015. With respect to projects for which an invitation to apply is extended by the  
30                  secretary on or after July 1, 2015, a qualified business shall be entitled to a project





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(4)

\* \* \*

(c) In lieu of the sales and use tax rebate, a qualified business shall be entitled to a project facility expense rebate equal to one and one-half percent of the amount of qualified capital expenditures for the facility or facilities designated in the contract. For purposes of this Subparagraph, the term "qualified capital expenditures" means amounts classified as capital expenditures for federal income tax purposes related to the project plus exclusions from capitalization provided for in Internal Revenue Code Section 263 (a)(1)(A) through (L), minus the capitalized cost of land, capitalized leases of land, capitalized interest, capitalized costs of machinery and equipment to the extent capitalized manufacturing machinery and equipment costs are excluded from sales and use tax pursuant to R.S. 47:301(3), and the capitalized cost for the purchase of an existing building. When a qualified business purchases an existing building and capital expenditures are used to rehabilitate the building, only the costs of the rehabilitation shall be considered qualified capital expenditures. Additionally, a qualified business shall be allowed to increase its qualified capital expenditures to the extent the qualified business's capitalized basis is properly reduced by claiming a federal credit. A qualified business earns the project facility expense rebate in the qualified business's fiscal year in which the project is placed in service but the qualified business may not be issued the project facility expense rebate until the Department of Economic Development signs a project completion report or such other time as provided for by rule or regulation. The project completion report for the project facility expense rebate shall adhere to the same requirements found in R.S. 51:1787(A)(1)(a)(ii) for the sales and use tax rebate.

Section 4. The provisions of R.S. 51:1787(B)(3)(b) as amended and reenacted by this Act shall supercede the provisions of the Act that originated as House Bill No. 466 of this 2015 Regular Session, regardless of the order of final passage.

Section 5. Section 1 of this Act shall become effective on July 1, 2015.

1           Section 6. The provisions of Section 2 of this Act shall become effective on July 1,  
2           2015 and shall remain effective through June 30, 2018. The provisions of Section 3 of this  
3           Act shall become effective on July 1, 2018.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_