
DIGEST

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CONFERENCE COMMITTEE REPORT DIGEST

HB 635

2015 Regular Session

Jackson

Keyword and oneliner of the instrument as it left the House

TAX/TAX REBATES: Reduces all tax rebates

Report adopts Senate amendments to:

1. Require applications for advance notifications filed between July 1, 2011, and July 1, 2012, to be filed at any time prior to August 15, 2015.

Report rejects Senate amendments which would have:

1. Limited period of time within which an application for a Quality Jobs project is required to be filed to no later than 24 months after the filing of an advance notification for the project.
2. Made technical changes.

Report amends the bill to:

1. Eliminate eligibility for Enterprise Zone incentives for retail businesses and restaurants.
2. Sunset the provisions of proposed law relative to the reduction of the amount of the rebates on June 30, 2018.

Digest of the bill as proposed by the Conference Committee

Present law establishes the enterprise zone program through which businesses may enter into contracts with the Board of Commerce and Industry to receive income tax credits or sales and use tax rebate payments in exchange for the creation of a certain number of jobs that involve employees who meet certain residency and other requirements.

Present law limits eligibility for retail businesses assigned a North American Industry Classification (NAICS) Code of 44 or 45 with more than 100 employees nationwide, including affiliates, to grocery stores and pharmacies located in an enterprise zone.

Proposed law prohibits eligibility of a business with NAICS Code of 44, 45, or 722 from receiving benefits pursuant to present law for projects whose contract is not entered into before July 1, 2015, unless an advance notification for the project was filed prior to July 1, 2015, and the related claim for benefits is filed on or after July 1, 2016.

Present law authorizes the secretary of the Dept. of Economic Development to grant a La. Mega Project Energy Assistance Rebate of severance taxes paid on natural gas consumed or used directly in the operation of the mega-project facility or consumed indirectly in the manufacture or creation of energy sold to the mega-project facility for its operation.

Proposed law retains present law but, with respect to those projects for which the secretary makes a determination on or after July 1, 2015, that the consumption of energy will be a major cost component of the operation of the project, reduces the amount of the rebate from 100% to 80% of La. severance taxes that were paid to the state.

Present law provides for the Quality Jobs Program, which program authorizes the granting of contracts by the Board of Commerce and Industry to businesses for the purposes of providing rebates and tax credits for the achievement of certain performance by the business. The term of the contract is five years. Authorizes a rebate equal to the benefit rate as defined in present law multiplied by the gross payroll of new direct jobs.

Proposed law retains present law but, with respect to projects for which an advance notice was filed on or after July 1, 2015, reduces the rebate to an amount not to exceed the amount of the benefit rate multiplied by 80% of the gross payroll of new direct jobs.

Proposed law limits the period of time within which an application for a Quality Jobs project is required to be filed to no later than 24 months after the filing of an advance notification for the project. Requires applications for advance notifications filed between July 1, 2011 and July 1, 2012 to be filed at any time prior to August 15, 2015.

Present law creates the Corporate Headquarters Relocation Program which grants to a "qualified business" a contract to receive a relocation rebate of 25% of "relocation costs" to relocate or expand its "headquarters" in La.

Proposed law retains present law but, with respect to those projects for which an advance notification was filed on or after July 1, 2015, reduces the amount of the rebate from 25% to 20% of "relocation costs".

Present law establishes the Competitive Projects Payroll Incentive Program through which businesses can contract with the Dept. of Economic Development for receipt of rebate payments in exchange for the creation of jobs. The contract provides for three different rebates: a payment based on the amount of new payroll, a sales and use taxes rebate for taxes paid, and a payment equal to 1.5% of the amount of certain qualified capital expenditures associated with a facility utilized in the performance of the contract.

Proposed law retains present law but, with respect to those projects for which an invitation to apply is extended by the secretary on or after July 1, 2015, reduces the amount of the rebate from 1.5% to 1.2% of certain qualified capital expenditures. Further reduces the amount of the credit from a maximum of 15% to 12% of new payroll.

Proposed law relative to Enterprise Zone program eligibility becomes effective July 1, 2015 and 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.

The provisions of proposed law relative to the reduction of the amount of rebates shall become effective on July 1, 2015, and shall remain effective through June 30, 2018. The remaining provisions of proposed law shall become effective on July 1, 2018.

(Amends R.S. 51:1787(B)(3)(b), 2455(A), 3114(B), and 3121(C)(3)(b)(i) and(4)(c); Adds R.S. 51:2367(E) and 2455(D)(3))