SLS 161ES-36 ORIGINAL

2016 First Extraordinary Session

SENATE BILL NO. 10

BY SENATOR DONAHUE

FISCAL CONTROLS. Establishes a baseline limit on the payment of rebates and the use of tax credits in a fiscal year for Enterprise Zone and provides a sunset date for the Enterprise Zone program. (gov sig)

1 AN ACT

To enact R.S. 51:1787(K) and 1792, relative to incentive credits and rebates; to provide for a baseline limit on the payment of certain incentive rebates and the use of certain incentive tax credits in a fiscal year; to provide a termination date for entering into Enterprise Zone Program contracts; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 51:1787(K) and 1792 are hereby enacted to read as follows:

8 §1787. Incentives

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K. Notwithstanding any other provision of this Chapter, for each fiscal year beginning Fiscal Year 2016-2017, no more than the baseline average of seventy-three million dollars of the aggregate amount of claims filed for the rebates or credits provided for in this Chapter during the five fiscal years from Fiscal Year 2009-2010 to Fiscal Year 2014-2015 shall be paid as a rebate of sales and use tax and allowed as a credit against income or corporate franchise tax liability, or both, for all such claims for the rebate and credit filed during a fiscal year. Claims for the rebate and credit shall be allowed on a first-come,

1 first-served basis. Any employer whose claim for such rebate, tax credit, or both 2 is disallowed may claim the rebate in the next fiscal year, or use the tax credit 3 against income or corporate franchise tax liability due in a return filed in the next fiscal year, or both, and his claim shall have priority over other claims filed 4 5 after the date and time of his original claim. 6

§1792. Termination

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No Enterprise Zone contract shall be entered into nor shall any rebate or credit be granted after June 30, 2021.

Section 2. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

DIGEST

SB 10 Original

2016 First Extraordinary Session

Donahue

Present law authorizes Enterprise Zone contracts which grant sales and use tax rebates and credits against income and corporate franchise tax liability.

Proposed law allows no more than the "baseline average" of \$73 million of the aggregate amount of claims filed for the Enterprise Zone sales and use tax rebates or tax credits during the five fiscal years from Fiscal Year 2009-2010 to Fiscal Year 2014-2015 to be paid as a rebate or used as a credit against income and corporate franchise tax, or both, for all claims for the rebate and credit filed during a fiscal year.

Proposed law allows claims on a first-come, first-served basis. Any employer whose claim is disallowed may claim the rebate in the next fiscal year, or use the tax credit against income or corporate franchise tax liability due in a return filed in the next fiscal year, or both, and his claim has priority over other claims filed after the date and time of his original claim.

Proposed law prohibits entering into Enterprise Zone contracts after June 30, 2021.

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

(Adds R.S. 51:1787(K) and 1792)