HOUSE COMMITTEE AMENDMENTS

2016 First Extraordinary Session

Amendments proposed by House Committee on Ways and Means to Original House Bill No. 71 by Representative Barras

On page 1, line 2, after "reenact" and before "relative" delete "R.S. 51:1787(A)(2)(a) and

1

2

AMENDMENT NO. 1

3 4	(B)(3)(b)," and insert "R.S. 51:1787(A)(2)(a) and (3) and (B)(3)(a)(ii) and (c) and (5) and to enact R.S. 51:1787(A)(1)(c) and (B)(3)(d),"
5	AMENDMENT NO. 2
6 7	On page 1, at the end of line 3, insert "provide for computation of average annual employment; to"
8	AMENDMENT NO. 3
9 10 11	On page 1, line 7, after "Section 1." delete the remainder of the line and insert "R.S. 51:1787(A)(2)(a) and (3) and (B)(3)(a)(ii) and (c) and (5) are hereby amended and reenacted and R.S. 51:1787(A)(1)(c) and (B)(3)(d) are hereby enacted"
12	AMENDMENT NO. 4
13 14	On page 1, delete lines 13 through 19 in their entirety, delete page 2 in its entirety and on page 3, delete lines 1 through 9 in their entirety and insert the following:
15	"(1) For either:
16	* * *
17 18 19 20	(c)(i) For projects for which the advance notification is filed on or after April 1, 2016, the amount of the rebate of sales and use taxes and the investment income tax credit granted pursuant to the provisions of this Section shall not exceed the sum of the following:
21 22	(aa) One hundred thousand dollars per net new job created under this Chapter.
23 24 25 26 27	(bb) One thousand dollars per full-time job retained by the business enterprise that existed prior to the effective date of the contract. A business shall retain an existing full-time job for a minimum of three years after the effective date of the contract to be eligible to receive the benefit authorized by this Subitem.
28 29 30 31 32	(ii) A business shall not receive any sales and use tax rebate or refundable investment income tax credit until it has provided all documentation, including filing the annual certification report as required by rule, and has shown proof of the creation of the net new jobs or retention for a minimum of three years of an existing full-time job.
33 34 35 36 37	(iii) For purposes of determining the maximum rebate or income tax credit allowed, each net new job and each retained full-time job shall only be counted once. The limitation provided for in this Subparagraph shall only apply to the sales and use tax rebates and refundable investment income tax credits granted to businesses participating in the Enterprise Zone Program.
38	* * *

Page 1 of 3

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1 (2)(a) Except as provided in Subparagraph (b) of this Paragraph, for a two 2 thousand five hundred dollar tax credit per net new employee as determined by the 3 company's average annual employment reported under the Louisiana Employment 4 Security Law during the taxable year for which credit is claimed. For projects for 5 which the advance notification form is filed on or after April 1, 2016, the amount of the credit provided for in this Subparagraph shall be two thousand dollars per net 6 7 new employee, unless each net new employee for which the credit is claimed meets 8 the qualifications of Items (ii) and (iii) of Subparagraph (a) of Paragraph (3) of 9 Subsection (B) of this Section. The amount of the credit for each net new employee 10 meeting these qualifications shall be three thousand five hundred dollars. This tax 11 credit may be applied to any state income tax liability or any state corporate franchise tax liability, but not liabilities for penalty or interest, due or outstanding at 12 13 the time the credit is generated. However, credits may be applied to a due or 14 outstanding tax liability attributable to tax years prior to the year in which the credit 15 is generated only if the tax liability is the result of an assessment, administrative, or judicial proceeding by the Department of Revenue after an audit, provided that no 16 further interest or penalty shall be accrued on such tax liability after the credit is 17 18 generated. If the entire credit cannot be used in the year claimed, the remainder may 19 be applied against the income tax or corporate franchise tax for the succeeding ten 20 taxable years or until the entire credit is used, whichever occurs first. These credits shall also apply to those tax liabilities, but not liabilities for penalty or interest, 21 identified in tax years where existing contracts generate the credit. 22

23 * * *

24

25

26

27

28

29

30

31

32

33

34

35

36

3738

39

40

41

42 43

44

45

46

47

49

50

- (3) The tax credit provided in Paragraph (2) of this Subsection shall be applicable as follows:
- (a) For projects for which an advance notification was filed before April 1, 2016, only to a position within the state that did not previously exist in the business enterprise and that is filled by a person who is a citizen of the United States and who is domiciled in Louisiana, or who is a citizen of the United States and becomes domiciled in Louisiana within sixty days after his employment in such position, performing duties in connection with the operation of the business enterprise as a regular, full-time employee.
- (b) For projects for which an advance notification was filed on or after April 1, 2016, only to a position within the state that is in excess of the median statewide number of employees of the business, including affiliates, that did not previously exist in the business enterprise prior to the contract effective date and that is filled by a person who is a citizen of the United States and who is domiciled in Louisiana, or who is a citizen of the United States and becomes domiciled in Louisiana within sixty days after his employment in such position, performing duties in connection with the operation of the business enterprise as a regular, full-time employee.
- (c) The total number of credits allowed to a business enterprise for employees who are citizens of the United States and who become domiciled in Louisiana within sixty days after employment shall not exceed fifty percent of the total number of credits allowed to the business enterprise under the contract.
- B. The board may enter into the contracts provided in Subsection A of this Section provided that:

48 * * *

(3)(a) The business certifies that at least fifty percent of its employees meet at least one of the following qualifications:

* * *

1 2	(ii) Were receiving some form of public assistance Supplemental Nutrition Assistance Program (SNAP), Women, Infants, and Children (WIC), or Medicaid
3	benefits during the six-month period prior to employment.
3	ocherics during the six-month period prior to employment.
4	* * *
5	(c) Notwithstanding any other provision of law to the contrary, a business
6	that is assigned a North American Industry Classification Code of 5613 or 721, and
7	whose advance notification is not filed before April 1, 2016, shall be ineligible to
8	receive benefits pursuant to the provisions of this Section.
9	(d) The certifications required by Subparagraph (a) of this Paragraph shall
10	be updated annually if the business is to continue receiving the benefits of this
11	Chapter.
12	* * *
13	(5)(a) Except as provided in Subparagraph (b) of this Paragraph, the business
14	creates $\frac{1}{2}$ either:
15	(i) A minimum of the lesser of five net new permanent jobs to be in place
16	within the first two years of the contract period, as determined by the company's
17	average annual employment reported under the Louisiana Employment Security
18	
10	<u>Law.</u>
19	(ii) The number of net new jobs equal to a minimum of ten percent of the
20	existing employees, minimum of one, within the first year of the contract period, as
21	determined by the company's average annual employment reported under the
22	Louisiana Employment Security Law.
23	(b) For purposes of Subparagraph (a) of this Paragraph, the methodology for
24	determining a company's average annual employment shall be established by
25	department rule.
26	(c) A business which has an estimated construction period for its building
27	greater than two years may, for good cause shown, obtain an extension of not more
28	than two years to comply with the requirements of Subparagraph (a) of this
29	Paragraph.
30	(e)(d) Provided the business entering the contract provided in Subsection A
31	of this Section is a nonprofit organization organized to finance the development and
32	construction of buildings and infrastructure to serve a public institution of higher
33	education, the new permanent jobs required in Subparagraph $\frac{(B)(6)(a)}{(B)(5)(a)}$ of
34	this Section may be created by the public institution of higher education.
35	(d) (e) The provisions of this Section shall be applicable to all contracts
36	entered into under the provisions of Subsection A after January 1, 2002.
37	* * *"