

2017 Regular Session

SENATE BILL NO. 178

BY SENATOR MORRELL

TAX/TAXATION. Establishes termination dates for certain tax credits and incentive programs administered by the Department of Economic Development. (gov sig)

1 AN ACT
2 To amend and reenact R.S. 47:6015(J) and 6036(G), and R.S. 51:2356, to enact R.S.
3 47:3204(M), 4305(C), 4331(G), 6020(G), 6022(M), 6023(J), 6034(L), and 6037(J),
4 and R.S. 51:1807(F) and 2399.3(C), and to repeal Chapter 12 of Subtitle II of Title
5 47 of the Louisiana Revised Statutes of 1950, comprised of R.S. 47:1121 through
6 1128, R.S. 47:6021, and Section 3 of Act No. 414 of the 2011 Regular Session of the
7 Legislature as amended by Act No. 104 of the 2015 Regular Session of the
8 Legislature, relative to tax credits and tax incentive programs; to provide for
9 termination dates for tax credit and incentive programs administered by the
10 Louisiana Department of Economic Development; to repeal certain expired tax
11 credits and exemptions; to provide for an effective date; and to provide for related
12 matters.

13 Be it enacted by the Legislature of Louisiana:

14 Section 1. R.S. 47:6015(J) and 6036(G) are hereby amended and reenacted and R.S.
15 47:3204(M), 4305(C), 4331(G), 6020(G), 6022(M), 6023(J), 6034(L), and 6037(J) are
16 hereby enacted to read as follows:

17 §3204. Contracts of exemption; renegotiation; violations; lists; priority of

1 exemptions

2 * * *

3 **M. No contracts shall be entered into under this program on or after**
4 **July 1, 2021.**

5 * * *

6 §4305. Granting of contract

7 * * *

8 **C. No contracts shall be entered into under this program on or after July**
9 **1, 2021.**

10 * * *

11 §4331. Corporate Tax Apportionment Program; definitions; eligibility requirements;
12 contract approval

13 * * *

14 **G. No contracts shall be entered into under this program on or after July**
15 **1, 2017.**

16 * * *

17 §6015. Research and development tax credit

18 * * *

19 J. No credit shall be allowed pursuant to this Section for research
20 expenditures incurred or Small Business Innovation Research Grant funds received
21 **on or after ~~December 31, 2019~~ July 1, 2021.**

22 * * *

23 §6020. Angel Investor Tax Credit Program

24 * * *

25 **G. No credits shall be reserved under this program for reservation**
26 **applications received on or after July 1, 2021.**

27 * * *

28 §6022. Digital interactive media and software tax credit

29 * * *

1 * * *

2 §2356. Expiration date of credit

3 There shall be no tax credits granted or earned under this Part after ~~December~~
4 ~~31~~ **July 1, 2017.**

5 * * *

6 §2399.3. Modernization tax credit

7 * * *

8 **C. The Department of Economic Development shall not allocate any**
9 **credits under this program on or after July 1, 2017.**

10 Section 3. Chapter 12 of Subtitle II of Title 47 of the Louisiana Revised Statutes of
11 1950, comprised of R.S. 47:1121 through 1128, R.S. 47:6021, and Section 3 of Act No. 414
12 of the 2011 Regular Session of the Legislature as amended by Act No. 104 of the 2015
13 Regular Session of the Legislature are hereby repealed.

14 Section 4. This Act shall become effective upon signature by the governor or, if not
15 signed by the governor, upon expiration of the time for bills to become law without signature
16 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
17 vetoed by the governor and subsequently approved by the legislature, this Act shall become
18 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.

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Present law provides that the Board of Commerce and Industry may grant contracts of exemption whereby total state and local taxes may be reduced to the levels imposed by other states for new manufacturing establishments, new headquarters, or new warehousing and distribution establishments if the establishment is locating in Louisiana and was located in another state or contemplating locating in another state and the other state has a total state and local tax structure which offers a greater tax advantage to such industry than does the taxing structure of Louisiana.

Proposed law provides that no new contracts for exemption shall be entered into under this program on or after July 1, 2021.

Present law provides that the Board of Commerce and Industry may grant contracts of exemption for terms of up to five years with manufacturing establishments in order to encourage existing manufacturing industries to continue and expand their operations in the state.

Proposed law provides that no new contracts with manufacturing establishments shall be entered into under this program on or after July 1, 2021.

Present law authorizes the secretary of the Department of Economic Development to contract with an eligible corporation to allow the use of a single sales factor in determining their Louisiana corporation income and franchise tax.

Proposed law provides that no new contracts authorizing the use of the single sales factor shall be entered into under this program on or after July 1, 2021.

Present law provides for a tax credit for certain research and development expenses.

Proposed law extends the termination date for the credit for research and development expenses to July 1, 2021.

Present law provides for the angel investor tax credit program that authorizes tax credits for investments in a "Louisiana Entrepreneurial Business".

Proposed law extends the sunset date of the Angel Investor Tax Credit Program from July 1, 2017, to July 1, 2021.

Present law provides for the digital interactive media and software tax credit program that authorizes refundable tax credits for in-state labor and production expenses for the production of digital interactive media.

Proposed law provides that no tax credit for digital interactive media expenses will be allowed for applications received on or after July 1, 2021.

Present law provides for a sound recording investor tax credit for eligible production costs of state certified productions.

Proposed law provides that no sound recording investor tax credits shall be earned for applications received on or after July 1, 2017.

Present law authorizes a musical and theatrical production income tax credit for qualified investments in production, infrastructure projects, and transportation expenditures.

Proposed law provides that no musical and theatrical production tax credits shall be earned for applications received on or after July 1, 2021.

Present law provides for a ports of Louisiana investor tax credit and an import-export cargo tax credit.

Proposed law provides that no port tax credit shall be granted on or after July 1, 2021.

Present law provides a tax credit for green job industries that will be funded once the state Department of Natural Resources receives certification from the U.S. Department of Energy.

Proposed law provides that no green job industries credit shall be allowed for applications received on or after July 1, 2017.

Present law provides a tax exemption from state income or franchise taxes for the employment of certain individuals in urban revitalization zones.

Proposed law provides that no urban revitalization tax exemption contracts shall be entered into on or after July 1, 2017.

Present law authorizes a technology commercialization tax credit for investments in

commercialization costs for a qualified business location until Dec. 31, 2017.

Proposed law provides that no technology commercialization credits shall be granted or earned on or after July 1, 2017.

Present law provides for a tax credit for qualified retention and modernization expenditures.

Proposed law provides that no retention and modernization tax credits shall be allocated on or after July 1, 2017.

Present law provides for the Brownsfield Investor Tax Credit for investments in voluntary remediations at state-certified sites, however no tax credits can be granted after Dec. 31, 2009.

Proposed law repeals the Brownsfield Investor Tax Credit.

Present law provides for the Motion Picture Incentive Act that provides sales tax exemptions and income and franchise tax payroll credits to productions that received their state certification before Dec. 31, 2005.

Proposed law repeals the Motion Picture Incentive Act.

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

(Amends R.S. 47:6015(J) and 6036(G), and R.S. 51:2356; adds R.S. 47:3204(M), 4305(C), 4331(G), 6020(G), 6022(M), 6023(J), 6034(L), and 6037(J), and R.S. 51:1807(F) and 2399.3(C); repeals R.S. 47:1121-1128, 6021, and Acts 2011, No. 414 §3 as amended by Acts 2015, No. 104)