

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

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 47:4331(G), 6020(G), 6023(J), and 6037(J) are hereby enacted to
13 read as follows:

14 §4331. Corporate Tax Apportionment Program; definitions; eligibility requirements;
15 contract approval

16 * * *

17 **G. No contracts shall be entered into under this program on or after**

1 July 1, 2017.

2 * * *

3 §6020. Angel Investor Tax Credit Program

4 * * *

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

7 * * *

8 §6023. Sound recording investor tax credit

9 * * *

10 J. No credit shall be allowed pursuant to this Section for applications
11 received on or after July 1, 2021.

12 * * *

13 §6037. Tax credit for "green job industries"

14 * * *

15 J. No credit shall be allowed pursuant to this Section for applications
16 received on or after July 1, 2017.

17 Section 2. R.S. 51:2356 is hereby amended and reenacted and R.S. 51:1807(F) is
18 hereby enacted to read as follows:

19 §1807. Incentives

20 * * *

21 F. No contracts shall be entered into on or after July 1, 2017.

22 * * *

23 §2356. Expiration date of credit

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

26 Section 3. Chapter 12 of Subtitle II of Title 47 of the Louisiana Revised Statutes of
27 1950, comprised of R.S. 47:1121 through 1128, and Section 3 of Act No. 414 of the 2011
28 Regular Session of the Legislature as amended by Act No. 104 of the 2015 Regular Session
29 of the Legislature are hereby repealed.

1 Section 4. This Act shall become effective upon signature by the governor or, if not
 2 signed by the governor, upon expiration of the time for bills to become law without signature
 3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 4 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 5 effective on the day following such approval.

The original instrument was prepared by Leonore F. Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by Ann S. Brown.

DIGEST

SB 178 Reengrossed

2017 Regular Session

Morrell

Present law [R.S. 47:4331] 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 prohibits execution of any new contracts authorizing the use of the single sales factor on or after July 1, 2021.

Present law [R.S. 47:6020] provides for the angel investor tax credit program that authorizes tax credits for investments in a "Louisiana Entrepreneurial Business". Provides that the angel investor tax credit program sunsets on July 1, 2017. Proposed law extends the sunset date to July 1, 2021, and provides that no credits shall be reserved under the program for reservation applications on or after July 1, 2021.

Present law [R.S. 47:6023] 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, 2021.

Present law [R.S. 47:6037] 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 [R.S. 51:1807] provides a tax exemption from state income or franchise taxes for the employment of certain individuals in urban revitalization zones. Proposed law prohibits the execution of urban revitalization tax exemption contracts on or after July 1, 2017.

Present law [R.S. 51:2356] authorizes a technology commercialization tax credit program for investments in commercialization costs for a qualified business location and that no credits shall be earned after December 31, 2017. Proposed law provides that no credits be earned after July 1, 2017,

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 December 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. 51:2356; adds R.S. 47:4331(G), 6020(G), 6023(J), 6037(J), and R.S. 51:1807(F); repeals R.S. 47:1121-1128, and §3 of Acts 2011, No. 414 as amended by Acts 2015, No. 104)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Removes provisions that no musical and theatrical production income tax credits be allowed for applications received on or after July 1, 2021.
2. Extends from July 1, 2017, to July 1, 2021, the date after which the Department of Economic Development cannot allocate tax credits under the modernization tax credit program.
3. Removes provisions that repeal the Brownsfield Investor Tax Credit program.

Senate Floor Amendments to engrossed bill

1. Removes provisions that establishes termination dates for the following tax credits and incentives programs:
 - a. Contracts granted by the State Board of Commerce and Industry to new and existing manufacturing industries. [R.S. 47:3204 & R.S. 47:4305]
 - b. The Small Business Innovation Research Grant (SBIRG) program. [R.S. 47:6015]
 - c. The digital interactive media and software tax credit program. [R.S. 47:6022]
 - d. The Ports of Louisiana investor tax credit or import-export cargo tax credit program. [R.S. 47:6036]
 - e. The qualified retention and modernization expenditures tax credit program. [R.S. 51:2399.3]
2. Extends the date that no sound recording investor tax credits shall be earned for applications submitted from July 1, 2017, to July 1, 2021.