

2018 Regular Session

HOUSE BILL NO. 684

BY REPRESENTATIVE ABRAMSON

TAX/LOCAL: Provides relative to tax incentives granted by local governments for donations to local governments

1 AN ACT

2 To amend and reenact R.S. 33:7634, relative to local tax incentives; to provide relative to
3 tax rebates, credits, and other incentives for donations to local infrastructure projects;
4 to provide relative to qualified donations; to authorize incentives for donations for
5 other local purposes; to remove limitations on such incentives; to provide relative to
6 procedures; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 33:7634 is hereby amended and reenacted to read as follows:

9 §7634. Tax rebates, tax credits, or other incentives for donations to local
10 governments

11 A. Tax rebates, tax credits, or other incentives, hereafter in this Section
12 referred to as incentives, ~~shall~~ may be allowed for qualified donations made to a
13 local governmental entity for a qualified project or use subject to the following
14 limitations:

15 (1) A ~~participating~~ donor shall submit to the ~~chief~~ financial officer
16 designated by the local governmental entity a written report reasonably documenting
17 the cash, equipment, goods, or services donated ~~pursuant to a cooperative endeavor~~
18 ~~agreement~~ for a qualified project or use, including supporting documentation ~~as may~~
19 ~~be~~ deemed necessary by that officer. Prior to the approval of ~~tax rebates, tax credits,~~

1 ~~or other incentives for a qualified donation under the cooperative endeavor~~
2 ~~agreement~~, the officer shall verify the value of the qualified donation.

3 (2) The local governmental entity may approve a ~~tax rebate, tax credit, or~~
4 ~~other incentive~~ incentives to the donor ~~for the verified qualified donation~~ in an
5 amount ~~equal to one-half of the value of the cash, equipment, goods, or services~~
6 ~~donated, or five hundred thousand dollars, whichever is less. The total amount of the~~
7 ~~tax rebates, tax credits, or other incentives which may be received by any donor in~~
8 ~~any fiscal year shall not exceed five hundred thousand dollars~~ as determined by the
9 governing authority of the local governmental entity receiving the donation.

10 B.(1) The term "qualified donation" shall mean a donation made to a
11 ~~participating~~ local governmental entity to assist in ~~the construction, operation, use,~~
12 ~~or maintenance of~~ a qualified project or use as determined by the governing authority
13 of that local governmental entity. The donation may be in the form of cash, ~~or the~~
14 ~~donation of~~ equipment, goods, or services.

15 (2) The term "qualified project or use" shall mean a project ~~for the~~
16 ~~construction or major improvement or repair of infrastructure~~ or use as determined
17 by a participating the local governmental entity.

18 (3) The term "incentives" may be applied only to revenue or resources of the
19 local governmental entity.

20 C. The local governmental entity shall promulgate such, ordinances, rules,
21 and regulations ~~as may be deemed~~ necessary to carry out the purposes of this
22 Chapter.

23 D. The provisions of this Chapter shall apply to verified qualified donations
24 made after July 1, 2014.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 684 Original

2018 Regular Session

Abramson

Abstract: Makes technical changes to a provision of law that authorizes local governments to grant tax rebates, credits, and other incentives to private entities that make donations to local infrastructure projects.

Present law authorizes political subdivisions to enter into cooperative endeavor agreements with private entities under which the private entity donates cash, equipment, goods, or services to local infrastructure projects.

Present law authorizes political subdivisions to provide tax rebates, credits, or other tax incentives to such a donor. Provides for verification of the amount of the donation. Limits the tax incentive to one-half of the value of the donation or \$500,000, whichever is less, and limits the total tax incentives which may be granted to a single donor in a year to \$500,000.

Proposed law authorizes political subdivisions to provide tax incentives to any private entity that makes a donation to any project or use of the political subdivision. Retains requirement for the verification of the amount of the donation but otherwise removes limitations on the incentives authorized by present law. Proposed law requires that incentives be applied only to revenue and resources of the political subdivision.

(Amends R.S. 33:7634)