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

DIGEST

SB 6 Original | 2023 Regular Session | Allain

Present law provides for the Quality Jobs Program under which employers that meet certain conditions are eligible to receive payroll rebates on certain payroll expenses as well as rebates of certain costs associated with the materials and equipment needed to complete the project.

Present law authorizes either a rebate of all state sales and use taxes on purchases of materials used in the construction of a building and machinery and equipment used in the enterprise related to the quality jobs contract or a rebate of one and one-half percent of the qualified capital expenditures for the facility designated in the contract.

Present law also authorizes a rebate of local sales and use taxes on purchases of materials used in the construction of a building and machinery and equipment.

Proposed law provides for reductions of the amount of these rebates if the corporate franchise tax is reduced or eliminated as follows:

(1) If the automatic rate reduction trigger reduces the franchise tax by operation of law, the rebates will be reduced by the same percentage as the reduction in the franchise tax rate.

(2) If the legislature reduces the franchise tax through a legislative act, the rebates will be reduced by the same percentage as the reduction in the franchise tax rate.

(3) If the franchise tax is repealed, no rebates will be granted.

Proposed law applies only to contracts for which advance notifications are filed after December 31, 2023, and will not apply to existing contracts.

Effective January 1, 2024.

(Adds R.S. 51:2456(B)(2))