

2023 Regular Session

SENATE BILL NO. 6

BY SENATOR ALLAIN

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX/FRANCHISE/CORPORATE. Reduces the rate of the Quality Jobs Program project facility expense rebate when certain conditions are met. (1/1/24)

1 AN ACT

2 To enact R.S. 51:2456(B)(2), relative to the Quality Jobs Program; to provide relative to  
3 sales and use tax and qualified capital expenditure rebates; to provide for the  
4 reduction of the rebates under certain conditions; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 51:2456(B)(2) is hereby enacted to read as follows:

7 §2456. Rebate; payments

8 \* \* \*

9 B. \* \* \*

10 **(2) Notwithstanding any provision of Paragraph (1) of this Subsection,**  
11 **R.S. 51:2457, or any other law to the contrary, for contracts with advance**  
12 **notifications filed after December 31, 2023, the sales and use tax rebates and the**  
13 **project facility expense rebate authorized by this Chapter shall be reduced as**  
14 **follows:**

15 **(a) If the corporation franchise tax rate is reduced pursuant to R.S.**  
16 **47:601.2, the amount of the rebates shall be reduced by one-half of the**  
17 **percentage by which the franchise tax rate is reduced beginning in the year in**

1           which the rate reduction is first applicable.

2                   **(b) If the corporation franchise tax rate is reduced pursuant to an act of**  
 3           **the legislature, the amount of the rebates shall be reduced by one-half of the**  
 4           **percentage by which the franchise tax rate is reduced beginning in the year in**  
 5           **which the rate reduction is first applicable.**

6                   **(c) If the corporation franchise tax is repealed, the rebates shall be**  
 7           **reduced by fifty percent.**

8           Section 2. This Act shall become effective on January 1, 2024; if vetoed by the  
 9           governor and subsequently approved by the legislature, this Act shall become effective on  
 10          the day following such approval by the legislature or January 1, 2024, whichever is later.

The original instrument was prepared by Leonore Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by Danielle Clapinski.

DIGEST

SB 6 Reengrossed

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 one half 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 one-half the reduction in the franchise tax rate.
- (3) If the franchise tax is repealed, the rebates shall be reduced by fifty percent.

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))

Summary of Amendments Adopted by Senate

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

1. Makes technical changes.

Senate Floor Amendments to engrossed bill

1. Changes the reduction in the Quality Jobs Program sales and use tax rebate and project facility expense rebate from the same percentage reduction as the franchise rate reduction to one-half of the percentage reduction to the franchise tax.
2. Makes technical changes.