
HOUSE COMMITTEE AMENDMENTS

2024 Regular Session

Amendments proposed by House Committee on Appropriations to Engrossed House Bill No. 827 by Representative Turner

AMENDMENT NO. 1

On page 1, line 2, after "R.S. 47:305.73" and before "relative to" delete the comma "," and insert in lieu thereof "and to enact R.S. 47:303.1(B)(5),"

AMENDMENT NO. 2

On page 1, delete lines 4 through 7 in their entirety and insert in lieu thereof the following:

"communications service equipment and data center equipment; to provide for definitions; to provide for issuance of direct payment numbers to certain taxpayers; to provide for other limitations and"

AMENDMENT NO. 3

On page 1, line 10, after "reenacted" and before "to read" insert "and R.S. 47:303.1(B)(5) is hereby enacted"

AMENDMENT NO. 4

On page 1, between lines 10 and 11, insert the following:

"§303.1. Direct Payment Numbers

* * *

B.

* * *

(5) A DP Number shall be issued to a taxpayer who has entered into an agreement with the state pursuant to the provisions of R.S. 47:305.73 and who obtains the required approvals and meets all of the qualifications provided in Paragraph (1) of this Subsection. The taxpayer may possess the DP Number for the entire term of the agreement that the taxpayer enters into pursuant to R.S. 47:305.73.

* * *"

AMENDMENT NO. 5

On page 1, line 11, after "tax for" delete the remainder of the line and insert in lieu thereof "fiber-optic cable equipment and data center facility equipment"

AMENDMENT NO. 6

On page 1, delete lines 12 through 19 in their entirety and insert in lieu thereof the following:

"A. As used in this Section, the following terms shall have the meanings ascribed to them in this Subsection unless the context clearly indicates otherwise:

(1) "Approved data center facility" means a data center facility that is located in Louisiana and certified by the Department of Economic Development.

(2) "Data center" and "data center facility" mean a facility, campus of facilities, or interconnected facilities located within Louisiana which has a primary business purpose of processing, storage, retrieval, or communication of data, and was

1 developed to power, cool, secure, or connect its own equipment or the equipment of
 2 its customers.

3 (3)(a) "Data center equipment" means equipment or software purchased or
 4 leased for the processing, storage, retrieval, or communication of data, including all
 5 of the following:

6 (i) Servers, routers, connections, and other enabling machinery, equipment,
 7 software, and hardware, regardless of whether the property is affixed to or
 8 incorporated into immovable property used in the processing, storage, retrieval, or
 9 communication of data.

10 (ii) Equipment used in the operation of computer equipment or software,
 11 including component parts, refreshments, replacements, and upgrades, regardless of
 12 whether the property is affixed to or incorporated into immovable property.

13 (iii) Equipment necessary for the transformation, generation, distribution, or
 14 management of electricity required to operate computer server equipment, including
 15 substations, generators, uninterruptible energy equipment, fuel piping and storage,
 16 cabling, duct banks, switches, switchboards, batteries, testing equipment, and backup
 17 generators.

18 (iv) Equipment necessary to cool and maintain a controlled environment for
 19 the operation of computer servers and the data center, including chillers, refrigerant
 20 piping, fuel piping and storage, adiabatic and free cooling systems, cooling towers,
 21 water softeners, air handling units, indoor direct exchange units, fans, ducting, and
 22 filters.

23 (v) Water conservation systems, including facilities or equipment designed
 24 to collect, conserve, and reuse water.

25 (vi) Computer server equipment, including chassis, networking equipment,
 26 switches, racks, fiber optic and copper cabling, trays, and conduit.

27 (vii) Monitoring equipment and security systems.

28 (viii) Conduits, ducting, and fiber-optic and copper cabling, including any
 29 such items that are located outside the data center but within Louisiana, directly
 30 related to connecting one or more distributed approved data center locations.

31 (ix) Equipment, materials, and services necessary for the development,
 32 acquisition, construction, expansion, and renovation of a qualified data center,
 33 including, but not limited to, construction and building materials, site
 34 characterization and assessment services, engineering services, and design services
 35 used directly and exclusively in a qualified data center.

36 (x) Modular data centers and pre-assembled components used in the
 37 manufacturing of such centers.

38 (xi) Pre-assembled components of any item listed in this Subparagraph.

39 (b) The term "data center equipment" shall not mean office equipment or
 40 supplies, equipment or supplies used primarily in sales activities or transportation
 41 activities, tangible personal property not listed in Subparagraph (a) of this Paragraph
 42 that is incorporated into immovable property, and tangible personal property that is
 43 rented or leased for a term of one year or less.

44 (4) "Department" means the Department of Revenue.

45 (5) "Fiber-optic cable equipment" means:

46 (a) Telecommunications fiber.

47 (b) Wires.

48 (c) Poles.

49 (d) Supports.

50 (e) Lashing cable.

51 (f) Conduit.

52 (g) Communication handholes.

53 (h) Customer premise equipment.

54 (6) "Unserved area" means an area that has service levels below the
 55 minimum acceptable level of fixed broadband service as defined in 7 U.S.C.
 56 950bb(e)(1).

57 B.(1) A winning bidder that is awarded a census block by the Federal
 58 Communications Commission in the Rural Digital Opportunity Fund Auction; shall

1 be eligible for a rebate of state and local sales and use taxes paid by the winning
 2 bidder on fiber-optic cable equipment used to distribute fixed and mobile broadband
 3 networks to eligible rural unserved areas in Louisiana. The amount of the rebate
 4 shall equal fifty percent of the sales and use tax paid by the winning bidder on
 5 fiber-optic cable equipment."

6 AMENDMENT NO. 7

7 On page 2, delete lines 12 through 29 in their entirety and delete pages 3 and 4 in their
 8 entirety and insert in lieu thereof the following:

9 "~~(3)~~ (2) Each item of fiber-optic cable equipment shall be eligible for only
 10 a single rebate pursuant to this Section. Subsequent transactions involving the sale
 11 or resale of the same item of fiber-optic cable equipment shall not be eligible for ~~this~~
 12 ~~rebate~~ any rebate authorized pursuant to this Section.

13 ~~(4)~~ (3) The rebate authorized pursuant to this Section shall not be allowed
 14 for the purchases of fiber-optic cable equipment that are paid for with state or federal
 15 funds, unless the state or federal funds are reported as taxable income or are
 16 structured as repayable loans.

17 C.(1)(a) Subject to the limitation provided in Subparagraph (b) of this
 18 Paragraph, an approved data center facility shall be eligible for a rebate, to be paid
 19 annually, of Louisiana state and local sales and use taxes paid for the purchase of
 20 eligible data center equipment and for sales tax paid on expenditures for the
 21 development, acquisition, construction, lease, repair, refurbishment, expansion, and
 22 renovation of a qualified data center, including, but not limited to, costs of
 23 construction and building materials, site characterization and assessment,
 24 engineering, design, and labor and installation services used directly and exclusively
 25 in a qualified data center.

26 (b) Only purchases made on or after July 1, 2024, shall be eligible for the
 27 rebate authorized in this Subsection.

28 (2) To be certified as an approved data center by the Department of
 29 Economic Development, the data center facility operator shall provide a sworn
 30 attestation that the project will create a minimum of fifty new direct, permanent jobs
 31 in Louisiana and intends to expend at least two hundred million dollars in new
 32 capital investment in Louisiana on or after July 1, 2024, and before July 1, 2029. An
 33 approved data center shall be issued a Direct Payment Number in accordance with
 34 the applicable provisions of R.S. 47:303.1.

35 (3)(a) A facility that has been certified as an approved data center facility
 36 shall enter into an agreement with the Department of Economic Development that
 37 comports with the requirements of this Paragraph.

38 (b) The agreement shall provide a term of rebate eligibility, an initial term
 39 of twenty years, a list of all eligible recipients of the rebate, and language that
 40 authorizes the state to terminate the agreement and recapture any rebates if the data
 41 center facility fails to fulfill, or the Department of Economic Development
 42 determines that the facility will be unable to fulfill, its statutory and contractual
 43 obligations.

44 (c) Upon the expiration of the initial term of the agreement, the Department
 45 of Economic Development may renew the agreement for an additional ten years.

46 (d) The Department of Economic Development may include in the
 47 agreement any additional conditions it deems appropriate.

48 (4) The department may utilize any collection remedy authorized by R.S.
 49 47:1561.2 for any rebates subject to recapture based on termination of the agreement
 50 with the Department of Economic Development or a determination that the purchase
 51 did not qualify for the rebate. If a rebate is subject to recapture, the approved data
 52 center facility shall reimburse the department or its agent for any costs incurred.

53 ~~B. D.(1)~~ Requests for the rebates of state sales and use taxes pursuant to the
 54 provisions of this Section shall be processed by the ~~Department of Revenue~~

1 department. A ~~purchaser shall claim~~ taxpayer shall request a state rebate using the
 2 form and in the manner prescribed by the ~~Department of Revenue~~ department.

3 ~~(2) The purchaser who claims a rebate shall submit documentation to the~~
 4 ~~secretary of the Department of Revenue~~ A taxpayer who requests a rebate pursuant
 5 to Subsection B of this Section shall submit documentation to the department
 6 evidencing the purchase of fiber-optic cable equipment and documentation
 7 evidencing that the purchaser is a winning bidder that was awarded a census block
 8 by the Federal Communications Commission in the Rural Digital Opportunity Fund
 9 Auction. The secretary of the Department of Revenue may promulgate rules in
 10 accordance with the Administrative Procedure Act as are necessary to implement the
 11 provisions of this Section, including rules to provide for the form and manner for
 12 claiming a rebate.

13 (3) A taxpayer who requests a rebate pursuant to Subsection C of this
 14 Section shall do all of the following:

15 (a) Obtain certification from the Department of Economic Development that
 16 the data center is an approved data center facility eligible to receive a rebate
 17 provided for in Subsection C of this Section, in accordance with administrative rules.
 18 A copy of the certification shall be submitted to the department with the request for
 19 rebate.

20 (b) Submit documentation to the department evidencing the purchases
 21 eligible for the rebate.

22 ~~E.~~ E.(1) Requests for the rebate of local sales and use taxes pursuant to the
 23 provisions of this Section shall be processed by the appropriate local taxing
 24 authority. A ~~purchaser~~ taxpayer shall claim a local rebate using the form and in the
 25 manner required by the local taxing authority.

26 ~~(2) The purchaser who claims the~~ A taxpayer who requests a rebate pursuant
 27 to Subsection B of this Section shall submit documentation to the local taxing
 28 authority evidencing the purchase of fiber-optic cable equipment and documentation
 29 evidencing the purchaser is a winning bidder that was awarded a census block by the
 30 Federal Communications Commission in the Rural Digital Opportunity Fund
 31 Auction.

32 (3) A taxpayer who requests a rebate pursuant to Subsection C of this
 33 Section shall submit documentation to the applicable local taxing authority
 34 evidencing the purchases eligible for the rebate.

35 F.(1) The department and the Louisiana Uniform Local Sales Tax Board,
 36 respectively, may promulgate rules and regulations in accordance with the
 37 Administrative Procedure Act as necessary for the implementation of this Section.

38 (2) The rules of the department may include, without limitation, the method
 39 for processing and paying rebates of state sales and use taxes authorized by this
 40 Section. The method may comprise a first come, first served system, or any other
 41 procedure which the department, in its discretion, may find beneficial for
 42 administration of the rebate."