

SENATE BILL NO. 122

BY SENATORS CHABERT, JOHNS, LONG, MURRAY, TARVER AND WHITE AND REPRESENTATIVES ABRAMSON, BADON, BARROW, BERTHELOT, BILLIOT, STUART BISHOP, WESLEY BISHOP, BROADWATER, BROSSETT, BROWN, HENRY BURNS, TIM BURNS, BURRELL, CARMODY, CHAMPAGNE, CONNICK, COX, DIXON, DOVE, EDWARDS, GAINES, GAROFALO, GISCLAIR, GUILLORY, GUINN, HARRISON, HAZEL, HENSGENS, HILL, HOLLIS, HOWARD, HUNTER, IVEY, JEFFERSON, JOHNSON, JONES, KLECKLEY, LEOPOLD, LORUSSO, MORENO, PONTI, PRICE, PUGH, PYLANT, REYNOLDS, RICHARD, RITCHIE, SCHEXNAYDER, ST. GERMAIN, STOKES, THOMPSON, WHITNEY, ALFRED WILLIAMS, PATRICK WILLIAMS AND WILLMOTT

1 AN ACT

2 To amend and reenact the introductory paragraph of R.S. 47:6036(B)(2), R.S. 47:6036(B)(8)
3 and (13), (C)(1)(b) and (c), (G), and (I)(2)(a), relative to the Ports of Louisiana tax
4 credit; to provide the term of the credit; to provide for the activities and projects to
5 which the credit applies; to provide with respect to certain determinations and
6 certifications; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. The introductory paragraph of R.S. 47:6036(B)(2), R.S. 47:6036(B)(8)
9 and (13), (C)(1)(b) and (c), (G), and (I)(2)(a) are hereby amended and reenacted to read as
10 follows:

11 §6036. Ports of Louisiana tax credits

12 * * *

13 B. Definitions.

14 For purposes of this Section, the following words shall have the following
15 meanings unless the context clearly indicates otherwise:

16 * * *

1 or port and harbor activity. However, "qualifying project" shall not mean bulk
2 liquid or gas facilities.

3 * * *

4 C. Investor tax credit.

5 (1) * * *

6 (b) The Investor Tax Credit provided for in this Subsection shall be ~~issued~~
7 **granted** by the Department of Economic Development for a qualifying project if the
8 commissioner of administration, after approval of the Joint Legislative Committee
9 on the Budget, and the state bond commission certifies to the secretary of the
10 department that ~~there will be sufficient revenue received by the state to offset the~~
11 ~~effect to the state of the tax credits provided for the capital costs of the project,~~
12 ~~whether from increased port or port and harbor activity because of the grant of the~~
13 ~~tax credit or otherwise~~ **securing the project will result in a significant positive**
14 **economic benefit to the state. "Significant positive economic benefit" means net**
15 **positive tax revenue that shall be determined by taking into account direct,**
16 **indirect, and induced impacts of the project based on a standard economic**
17 **impact methodology utilized by the commissioner, and the value of the credit,**
18 **and any other state tax and financial incentives that are used by the department**
19 **to secure the project.** If the commissioner with the approval of the committee so
20 certifies, then the Department of Economic Development may grant a tax credit
21 equal to the total capital costs of a **such** qualifying project to be taken at five percent
22 per tax year; **or shall grant such other amount of tax credit to be taken at such**
23 **other percentage which is warranted by the significant positive economic benefit**
24 **determined by the commissioner, but no tax credit granted for a qualifying**
25 **project shall exceed two million five hundred thousand dollars per tax year.**
26 However, the total amount of tax credits granted on a qualifying project shall not
27 exceed the total cost of the project. **In addition, the Investor Tax Credits granted**
28 **by the department to any recipient pursuant to this Section shall be limited to**
29 **an amount which shall not result in a reduction of tax liability by all recipients**
30 **of such credits to exceed six million two hundred fifty thousand dollars in any**

1 fiscal year.

2 (c) ~~The tax credit~~ Any tax credits granted pursuant to Subparagraph (b)
3 of this Paragraph shall be earned by investors at the time expenditures are made by
4 an investing company; however, such tax credits shall not be applied against a tax
5 liability before July 1, 2014, and not until the project is approved by the department
6 ~~after certification from the commissioner with the approval of the committee and the~~
7 ~~state bond commission and~~ capital cost expenditures are certified by the department.
8 The Department of Economic Development shall certify capital cost expenditures no
9 less than twice during the duration of the qualifying project unless the investing
10 company agrees, in writing, to reimburse the Department of Economic Development
11 for the costs of any additional certifications.

12 * * *

13 G. Termination of Investor and Import-Export Cargo Tax Credits.

14 The provisions of Subsection C and I of this Section shall be effective until
15 ~~January 1, 2017~~ January 1, 2020, and no investor tax credit or import-export cargo
16 credit pursuant to the provisions of this Section shall be granted after such date.

17 * * *

18 I. ~~Import-Export~~ Cargo Credit.

19 * * *

20 (2)(a)(i) For taxable years beginning on and after January 1, ~~2009~~ 2014, there
21 shall be allowed a credit against the individual income, corporation income, and
22 corporation franchise tax liability of a taxpayer who has received certification
23 pursuant to the provisions of Paragraph (1) of this Subsection; provided that the
24 credit shall be allowed only against the tax liability of the international business
25 entity which receives the certification. The amount of the credit shall be equal to
26 the product of multiplying five dollars by the taxpayer's number of tons of qualified
27 cargo for the taxable year ~~but only for the total amount of the allocation provided to~~
28 ~~the taxpayer by the secretary of the Department of Economic Development for such~~
29 ~~taxable year~~ which exceeds the pre-certification tonnage or the product of
30 multiplying the number of dollars by the taxpayer's number of tons of qualified

1 cargo for the taxable year or portion of a taxable year which exceeds the pre-
 2 certification tonnage which is warranted by the significant positive economic
 3 benefit determined by the commissioner pursuant to Item (ii) of this
 4 Subparagraph, whichever is less. For purposes of this Item, "pre-certification
 5 tonnage" means the number of tons of cargo which meets the definition of
 6 qualified cargo for purposes of this credit, and which was owned by the
 7 international business entity receiving the credit, were imported or exported to
 8 or from a manufacturing, fabrication, assembly, distribution, processing, or
 9 warehouse facility located in Louisiana, and which were so moved by way of an
 10 oceangoing vessel berthed at public port facilities in Louisiana during the 2013
 11 calendar year. However, each tax credit granted to a taxpayer shall be subject
 12 to the same limit as is provided for a qualifying project pursuant to
 13 Subparagraph (C)(1)(b) of this Section. In addition, the Import-Export Cargo
 14 Credits granted by the department to any recipient pursuant to this Section
 15 shall be limited to an amount which shall not result in a reduction of tax liability
 16 by all recipients of such credits to exceed six million two hundred fifty thousand
 17 dollars in any fiscal year.

18 (ii) The tax credit provided for in this Subsection shall ~~only~~ be allowed for
 19 ~~all or a portion of a fiscal year~~ if the commissioner of administration certifies to the
 20 secretary of the Department of Economic Development that ~~there will be sufficient~~
 21 ~~revenue received by the state to offset the effect to the state of the tax credits~~
 22 provided for in this Subsection whether from the increased utilization of public port
 23 facilities and other activity in Louisiana associated with the import or export of
 24 the international business entities qualified cargo will result in a significant
 25 positive economic benefit to the state. "Significant positive economic benefit"
 26 means net positive tax revenue that shall be determined by taking into account
 27 direct, indirect, and induced impacts of the port and state activity based on a
 28 standard economic impact methodology utilized by the commissioner, and the
 29 value of the credit, and any other state tax and financial incentives that are used
 30 by the department to secure the port and state activity because of the tax credit

