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## DIGEST

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HB 135 Original

2015 Regular Session

Gisclair

**Abstract:** Establishes the LA 1 Strategic Economic Zone in Lafourche Parish in the vicinity of Port Fourchon for purposes of economic development and land loss mitigation activities adjacent to LA Highway 1, and also establishes a state income and corporation franchise tax credit for land loss mitigation projects within the zone.

Proposed law establishes the LA 1 Strategic Economic Zone, hereinafter "zone", to put in effect the state's commitment to the rebuilding of LA 1 roadways and bridges and preservation and improvement of its surrounding areas. The zone is comprised of all lands and water bottoms located within the geographic area which is adjacent to LA 1 between the South Lafourche Levee District ring levee and LA Highway 3090.

Proposed law provides that state economic development efforts within the zone shall be focused on expanding the economic potential for the area which can be derived from increased offshore drilling operations, foreign trade, and tourism. Further, the geophysical integrity of lands within the zone is necessary to ensure a continuous free flow of traffic over LA 1.

Proposed law establishes a tax credit against any La. income or corporation franchise tax for eligible land loss mitigation projects within the zone. The amount of the credit shall be equal to 30 % of the cost of the project completed in the tax year. The credit shall be taken in the taxable period in which the project is completed, and any unused credit may be carried forward for a period of five years.

Proposed law provides definitions for various terms for purposes of the tax credit, including the definition of "eligible improvement project" as land loss mitigation projects involving construction of bulkheads and fill in areas.

Proposed law authorizes the promulgation of rules in accordance with the Dept. of Natural Resources and the Dept. of Revenue for purposes of implementation of proposed law.

Proposed law is applicable for taxable periods beginning on or after Jan. 1, 2015.

(Adds R.S. 47:6361 and 6362)