

2015 Regular Session

SENATE BILL NO. 127

BY SENATOR ADLEY

TAX EXEMPTIONS. Prohibits providing tax credits in Enterprise Zone contracts. (gov sig)

1 AN ACT

2 To amend and reenact the introductory paragraph of R.S. 51:1787(A)(1) and (G) and to
3 enact R.S. 51:1787(A)(4), relative to tax credits; to repeal the tax credits associated
4 with Enterprise Zone contracts; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. The introductory paragraph of R.S. 51:1787(A)(1) and (G) are hereby
7 amended and reenacted and R.S. 51:1787(A)(4) is hereby enacted to read as follows:

8 §1787. Incentives

9 A. The board, after consultation with the secretaries of the Department of
10 Economic Development and Department of Revenue, and with the approval of the
11 governor, may enter into contracts not to exceed five years to provide:

12 (1) For either **the rebate or the credits provided for in this Paragraph,**
13 **and Paragraphs (2) and (3) of this Subsection, and in Subsection G of this**
14 **Section for contracts entered into prior to July 1, 2015:**

15 * * *

16 **(4) No tax credits shall be allowed in contracts entered pursuant to this**
17 **Chapter on and after July 1, 2015.**

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2 G. ~~The~~ **Until July 1, 2015, the** board, after consultation with the secretaries
3 of the Department of Economic Development and the Department of Revenue, and
4 with the approval of the governor, may enter into agreements with employers located
5 in either urban or rural enterprise zones or in economic development zones under
6 which employers may receive a two-year tax credit for a total of two thousand five
7 hundred dollars for each FITAP participant who is employed full time for a period
8 of not less than two years for compensation which will disqualify such person from
9 continued participation in the FITAP program. This tax credit may be applied to any
10 state income tax liability or any state franchise tax liability and shall be used for the
11 taxable year in which the increase in average annual employment occurred.
12 However, an employee shall be limited to two years participation under the program.
13 No employer shall obtain a credit for more than ten employees in the first year of
14 participation in the program authorized by this Section. Employers shall be eligible
15 for tax credits under the program for ten years.

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17 Section 2. This Act shall become effective upon signature by the governor or, if not
18 signed by the governor, upon expiration of the time for bills to become law without signature
19 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
20 vetoed by the governor and subsequently approved by the legislature, this Act shall become
21 effective on the day following such approval.

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

DIGEST

SB 127 Original 2015 Regular Session Adley

Present law authorizes the Board of Commerce and Industry, after consultation with the secretaries of the Department of Economic Development and Department of Revenue, and with the approval of the governor, to enter into contracts not to exceed five years for sales and use tax rebates or for various tax credits.

Proposed law prohibits providing tax credits in Enterprise Zone contracts on and after July 1, 2015.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 51:1787(A)(1)(intro para) and (G); adds R.S. 51:1787(A)(4))