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

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DIGEST

SB 6 Original

2018 Second Extraordinary Session

Luneau

Present law sunsets on June 30, 2018 the 20% reduction of payroll rebates made in Act No. 126 of the 2015 R.S. for the Enterprise Zone, Louisiana Quality Jobs, and Competitive Projects Payroll Incentive tax incentive programs.

- (1) Enterprise Zone (R.S. 51:1781-1791)
- (2) Louisiana Quality Jobs (R.S. 51:2451-2462)
- (3) Competitive Projects Payroll Incentive (R.S. 51:3121)

Proposed law makes the rebate reductions permanent by eliminating the reversion to pre-Act No. 126 rebate rates.

Present law requires that within ten business days of the receipt of a properly completed rebate request for the Enterprise Zone and Quality Jobs programs, the Department of Revenue shall rebate 80% of the total amount claimed for rebate in the rebate request.

Proposed law retains present law but changes the time period for issuance of the first 80% of the rebate from 10 to 60 days.

Present law provides that within three months of the date of filing the rebate request, the Department of Revenue shall audit the rebate request. During the three-month period, the Department of Revenue shall disallow items determined to be ineligible for rebate. Within ten business days following the expiration of the three-month period, the Department of Revenue shall rebate the remaining 20% of the amount claimed on the rebate request less any amounts properly disallowed during the three-month audit period.

Proposed law retains present law but changes the audit time, the time to disallow items determined to be ineligible for a rebate, and the rebate of the remaining 20% of the claimed rebate from three months to six months.

Present law provides additional incentives for the Enterprise Zone, Louisiana Quality Jobs, and Competitive Projects Payroll Incentive programs that include either a sales tax rebate for state sales taxes paid on the construction of the facility or a project facility expense rebate of a percentage of the qualified capital expenditures for the facility in lieu of the sales tax rebate, at the applicant's option.

Present law sunsets on June 30, 2018 the 20% reduction of the sales tax rebate and optional project

facility expense rebate made in Act No. 126 of the 2015 R.S. for the Competitive Projects Payroll incentive program.

Proposed law reduces the sales tax rebate and optional project facility expense rebate for the Enterprise Zone and Quality Jobs programs by 20% for advance notifications received after July 1, 2018 and makes these rebate reductions permanent for the Competitive Projects Payroll Incentive program.

Proposed law clarifies that the maximum 15% of new payroll eligible for the rebate under the Competitive Project Payroll Incentive program applies for projects for which an invitation to apply was extended before July 1, 2015; this maximum percentage reduces to 12% for projects to which an invitation to apply is extended on or after July 1, 2015.

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

(Amends R.S. 51:1787(A)(1)(a)(iv) and (b), 2455(A) and (D)(3), 2457(B)(3)(b) and (c), 3121(C)(3)(b)(i) and (4)(c), and Section 6 of Act 126 of 2015 R.S.; adds R.S. 51:2456(B)(1)(a)(iv) and (b)(iv); repeals Section 3 of Act 126 of 2015 R.S. and Section 2 of Act 28 of 2016 1E.S.)