

2018 Second Extraordinary Session

SENATE BILL NO. 3

BY SENATOR JOHNS

TAX/TAXATION. Provides for administration of incentive rebates under the Quality Jobs and Enterprise Zone programs. (Items #21 and 27)(gov sig)

1 AN ACT

2 To amend and reenact the introductory paragraph of R.S. 51:1787(A)(1)(a)(iv), R.S.
3 51:1787(A)(1)(a)(iv)(bb) and (cc), 2455(D)(3) and 2457(B)(3)(b) and (c), relative
4 to the administration of incentive rebates; to change the application period for certain
5 incentive rebates; to provide for issuance of rebate payments for certain tax incentive
6 programs; to provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. The introductory paragraph of R.S. 51:1787(A)(1)(a)(iv), R.S.
9 51:1787(A)(1)(a)(iv)(bb) and (cc), 2455(D)(3) and 2457(B)(3)(b) and (c) are hereby
10 amended and reenacted to read as follows:

11 §1787. ~~Incentives~~ **Enterprise zone incentives**

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

15 (1) For either:

16 (a) * * *

17 (iv) Requests for rebates of state sales and use tax pursuant to this Section

1 ~~and R.S. 51:2456(B)~~ shall be processed by the Department of Revenue as follows:

2 * * *

3 (bb) Within ~~ten business~~ **sixty** days of the receipt of a properly completed
4 rebate request, the Department of Revenue shall rebate eighty percent of the total
5 amount claimed for rebate in the rebate request. Within ~~three~~ **six** months of the date
6 of filing the rebate request, the Department of Revenue shall audit the rebate request.
7 During such ~~three~~ **six**-month period, the Department of Revenue shall disallow items
8 determined to be ineligible for rebate. Within ten business days following the
9 expiration of such ~~three~~ **six**-month period, the Department of Revenue shall rebate
10 the remaining twenty percent of the amount claimed on the rebate request less any
11 amounts properly disallowed during the ~~three~~ **six**-month audit period. The
12 Department of Revenue shall make such rebates from the current collections of the
13 taxes collected pursuant to Chapter 2, Chapter 2-A, or Chapter 2-B of Subtitle II of
14 Title 47 of the Louisiana Revised Statutes of 1950, as amended. Any sales and use
15 tax rebate issued **pursuant to this Section** shall be subject to subsequent audit by the
16 Department of Revenue, and any rebate amount determined to be in excess of that
17 which should have been allowed shall be subject to collection by the Department of
18 Revenue.

19 (cc) Failure of the Department of Revenue to timely pay rebates as provided
20 **herein in this Item** shall entitle the taxpayer to interest, which shall begin to accrue
21 ~~three~~ **six** months after the completed rebate request is received at the rate established
22 pursuant to the provisions of R.S. 13:4202. Payments of interest authorized
23 according to the provisions of this Section shall be made from the current collections
24 of taxes collected pursuant to Chapter 2, Chapter 2-A, or Chapter 2-B of Subtitle II
25 of Title 47 of the Louisiana Revised Statutes of 1950, as amended.

26 * * *

27 §2455. ~~Incentive~~ **Quality jobs incentive** rebates

28 * * *

29 D.(1) * * *

1 (3) Applications shall be filed no later than twenty-four months after the
2 filing of the advance notification, except for advances **as follows:**

3 **(a) For advance notifications** filed on or after January 1, 2014, and before
4 January 31, 2014, applications may be filed at any time prior to January 31, 2016.

5 **(b) For advance notifications filed on or after June 1, 2015, and before**
6 **July 1, 2015, applications may be filed at any time before January 1, 2018.**

7 * * *

8 §2457. Filing claim to receive **Quality jobs** rebate; determination; repayment

9 * * *

10 B. Issuance of state sales and use tax rebate.

11 * * *

12 (3) Requests for rebates of state sales and use taxes pursuant to this Section
13 shall be processed by the Department of Revenue as follows:

14 * * *

15 (b) Within ~~ten business~~ **sixty** days of receipt of a properly completed rebate
16 request, the Department of Revenue shall rebate eighty percent of the total amount
17 claimed for rebate in the rebate request. Within ~~three~~ **six** months of the date of filing
18 the rebate request, the Department of Revenue shall audit the rebate request. During
19 the ~~three~~ **six**-month period, the Department of Revenue shall disallow items
20 determined to be ineligible for rebate. Within ten business days following the
21 expiration of the ~~three~~ **six**-month period, the Department of Revenue shall rebate the
22 remaining twenty percent of the amount claimed on the rebate request less any
23 amounts properly disallowed during the ~~three~~ **six**-month audit period. The
24 Department of Revenue shall make the rebates from the current collections of the
25 taxes collected pursuant to Chapter 2, Chapter 2-A, or Chapter 2-B of Subtitle II of
26 Title 47 of the Louisiana Revised Statutes of 1950, as amended. Any sales and use
27 tax rebate issued **pursuant to this Section** shall be subject to subsequent audit by the
28 Department of Revenue, and any rebate amount determined to be in excess of the
29 amount that should have been allowed shall be subject to collection by the

1 Department of Revenue.

2 (c) Failure of the Department of Revenue to timely pay rebates as provided
3 herein shall entitle the taxpayer to interest, which shall begin to accrue ~~three~~ **six**
4 months after the completed rebate request is received at the rate established pursuant
5 to the provisions of R.S. 13:4202. Payments of interest authorized according to the
6 provisions of this Section shall be made from the current collections of taxes
7 collected pursuant to Chapter 2, Chapter 2-A, or Chapter 2-B of Subtitle II of Title
8 47 of the Louisiana Revised Statutes of 1950, as amended.

9 * * *

10 Section 2. All Quality Jobs rebate payments shall be delayed for a period of twenty-
11 four months for any applicant to which the provisions of R.S. 51:2455(D)(1)(3)(b) apply that
12 filed their application between October 1, 2017, and December 31, 2017.

13 Section 3. This Act shall become effective upon signature by the governor or, if not
14 signed by the governor, upon expiration of the time for bills to become law without signature
15 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
16 vetoed by the governor and subsequently approved by the legislature, this Act shall become
17 effective on the day following such approval.

18 Section 4. In the event a conflict between this Act and the provisions of Section 3
19 of Act No. 126 of the 2015 Regular Session of the Legislature, the provisions of this Act
20 shall supercede and control.

The original instrument was prepared by Leonore F. Heavey. The following
digest, which does not constitute a part of the legislative instrument, was
prepared by James Benton.

DIGEST

SB 3 Engrossed

2018 Second Extraordinary Session

Johns

Present law requires that applications for La. Quality Jobs Program incentives be filed no
later than 24 months after the filing of the advance notification.

Proposed law retains present law.

Present law provides an exception to the application filing requirement for projects for which
an advance notification form was filed on or after January 1, 2014, and before January 31,
2014, and authorized applications for those projects to be filed any time prior to January 31,
2016.

Proposed law authorizes an exception to the application filing requirement for projects for which an advance notification was filed on or after June 1, 2015, and before July 1, 2015, and requires applications for those projects to be filed before January 1, 2018.

Present law within ten business days of the receipt of a properly completed rebate request for the La. Quality Jobs and Enterprise Zone 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 rebate time from 10 to 60 days.

Present law provides that within three months of the date of filing the La. Quality Jobs and Enterprise Zone rebate request, the Department of Revenue shall audit the rebate request. During such three-month period, the Department of Revenue shall disallow items determined to be ineligible for rebate. Within ten business days following the expiration of such 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.

Proposed law provides that all Quality Jobs rebate payments will be delayed for a period of twenty-four months for any applicant to which the provisions of present law apply that filed their application between October 1, 2017 and December 1, 2017.

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

(Amends R.S. 51:1787(A)(1)(a)(iv)(intro para), (bb), and (cc), 2455(D)(3), and 2457(B)(3)(b) and (c))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Provides for a twenty-four month suspense period of payments for certain applicants filed between Oct. 1, 2017, and Dec. 31, 2017 under the Quality Jobs rebate payments program.