

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~~ that is eligible for rebate at the
 6 time of the rebate request after taking into account the limitation provided for
 7 in Subparagraph (c) of this Paragraph. Within ~~three~~ six months of the date of
 8 filing the rebate request, the Department of Revenue shall audit the rebate request.
 9 During ~~such three~~ the six-month period, the Department of Revenue shall disallow
 10 items determined to be ineligible for rebate. Within ten business days following the
 11 expiration of ~~such three~~ the six-month period, the Department of Revenue shall
 12 rebate the remaining twenty percent of the amount claimed ~~on the rebate request~~ that
 13 is eligible for rebate at the time of the rebate request after taking into account
 14 the limitation provided for in Subparagraph (c) of this Paragraph, less any
 15 amounts properly disallowed during the ~~three~~ six-month audit period. The
 16 Department of Revenue shall make additional rebates of sales and use taxes
 17 from a rebate request after certification by the Department of Economic
 18 Development that additional net new jobs have been created. The Department of
 19 Revenue shall make such rebates from the current collections of the taxes collected
 20 pursuant to Chapter 2, Chapter 2-A, or Chapter 2-B of Subtitle II of Title 47 of the
 21 Louisiana Revised Statutes of 1950, as amended. Any sales and use tax rebate issued
 22 pursuant to this Section shall be subject to subsequent audit by the Department of
 23 Revenue, and any rebate amount determined to be in excess of that which should
 24 have been allowed shall be subject to collection by the Department of Revenue.

25 (cc) Failure of the Department of Revenue to timely pay rebates as provided
 26 herein in this Item shall entitle the taxpayer to interest, which shall begin to accrue
 27 ~~three~~ six months after the completed rebate request is received at the rate established
 28 pursuant to the provisions of R.S. 13:4202. Payments of interest authorized
 29 according to the provisions of this Section shall be made from the current collections

1 of taxes collected pursuant to Chapter 2, Chapter 2-A, or Chapter 2-B of Subtitle II
2 of Title 47 of the Louisiana Revised Statutes of 1950, as amended.

3 * * *

4 §2455. ~~Incentive~~ **Quality jobs incentive** rebates

5 * * *

6 D.(1)

* * *

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

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

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

13 * * *

14 §2457. Filing claim to receive **Quality jobs** rebate; determination; repayment

15 * * *

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

17 * * *

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

20 * * *

21 (b) Within ~~ten business~~ **sixty** days of receipt of a properly completed rebate
22 request, the Department of Revenue shall rebate eighty percent of the total amount
23 claimed for rebate in the rebate request. Within ~~three~~ **six** months of the date of filing
24 the rebate request, the Department of Revenue shall audit the rebate request. During
25 the ~~three~~ **six**-month period, the Department of Revenue shall disallow items
26 determined to be ineligible for rebate. Within ten business days following the
27 expiration of the ~~three~~ **six**-month period, the Department of Revenue shall rebate the
28 remaining twenty percent of the amount claimed on the rebate request less any
29 amounts properly disallowed during the ~~three~~ **six**-month audit period. The

1 Department of Revenue shall make the rebates from the current collections of the
2 taxes collected pursuant to Chapter 2, Chapter 2-A, or Chapter 2-B of Subtitle II of
3 Title 47 of the Louisiana Revised Statutes of 1950, as amended. Any sales and use
4 tax rebate issued **pursuant to this Section** shall be subject to subsequent audit by the
5 Department of Revenue, and any rebate amount determined to be in excess of the
6 amount that should have been allowed shall be subject to collection by the
7 Department of Revenue.

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

15 * * *

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

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

24 Section 4. In the event of a conflict between this Act and the provisions of Section
25 3 of Act No. 126 of the 2015 Regular Session of the Legislature, the provisions of this Act
26 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 Ann S. Brown.

DIGEST

SB 3 Reengrossed

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.

Present law provides a \$100,000 per net new job monetary limitation for sales and use tax rebates and refundable investment income tax credits granted to businesses in the Enterprise Zone Program.

Proposed law retains present law but changes the rebate time from 10 to 60 days and provides limitations on the rebate claimed be in accordance with present law.

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 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. Further provides that the rebate be limited by the \$100,000 per net new job limitation in present law.

Proposed law provides that the Dept. of Revenue shall make additional rebates of sales and use taxes from a rebate request after certification by the Dept. of Economic Development that additional net new jobs have been created.

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 SenateCommittee 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.

Senate Floor Amendments to engrossed bill

1. Provides that the Dept. of Revenue shall rebate the amount eligible for rebate after taking into account any limitations established by present law.
2. Provides that the Dept. of Revenue shall make additional rebates of sales and use taxes from a rebate request after certification by the Dept. of Economic Development that additional net new jobs have been created.
3. Makes technical corrections.