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

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## DIGEST

Present law provides the following two credits against income and franchise tax for ports and port, harbor, and terminal districts:

1. To an investing company, an Investor Tax Credit equal to the total "capital costs" of a "qualifying project" to be taken by the investing company at 5% per tax year. "Qualifying project" is defined as a project to be sponsored or undertaken by a port and one or more investing companies which has a "capital cost" of not less than \$5 million and at which the predominant trade or business activity conducted will constitute industrial, warehousing, or port and harbor operations and cargo handling, including any "port or port and harbor activity". The credit terminates on January 1, 2015.
2. To "international business entities" which have received certification from the secretary of DED, an Import Export Cargo Credit equal to the product of multiplying \$5.00 by the "international business entity's" number of tons of "qualified cargo" for the taxable year. "Qualified cargo" is defined as containerized machinery, equipment, materials, products, or commodities, but not liquids or dry commodities that are handled in bulk.

Present law authorizes DED to issue the Investor Tax Credit if the commissioner of administration, after approval of the Joint Legislative Committee on the Budget and the state bond commission, certifies to the secretary of DED that there will be sufficient revenue received by the state to offset the effect to the state of the tax credits provided for the capital costs of the project, whether from increased port or port and harbor activity because of the grant of the tax credit or otherwise.

Proposed law deletes this limitation, authorizing DED to issue the tax credits without the commissioner's certification or the committees' approval.

Present law authorizes DED to issue the Import Export Cargo Credit to an "international business entity" which has received certification from the secretary of DED only for the taxable year or years and for the amount allocated to the "international business entity" as provided for in the commissioner of administration's certification, approved by the Joint Legislative Committee on the Budget and the state bond commission. The tax credit may be issued for all or a portion of a fiscal year if the commissioner certifies to the secretary of DED that there will be sufficient revenue received by the state to offset the effect to the state of the tax credits issued whether from increased utilization of public port facilities because of the tax credit or otherwise, and such certification is approved by the Joint Legislative Committee on the Budget and the state bond commission.

Proposed law deletes this limitation, authorizing DED to issue the tax credits without the

commissioner's certification or the committees' approval.

Applicable with regard to the Investor Tax Credit for qualifying projects for which a cooperative endeavor between an investing company or entity proposing the qualifying project and a public port is executed after June 30, 2011 and, with regard to the Import Export Cargo Credit, to certifications issued by DED to international business entities after that date.

Effective on July 1, 2011.

(Amends R.S. 47:6036(C)(1)(b) and (c) and the introductory paragraph of (I)(1), and (I)(1)(c) and (2)(a))