

Regular Session, 2013

SENATE BILL NO. 254

BY SENATOR CLAITOR

TAX/TAXATION. Repeals the Procurement Processing Company Rebate Program. (gov sig)

1 AN ACT  
2 To repeal R.S. 47:6351, relative to rebates; to repeal the Procurement Processing Company  
3 Rebate Program; and to provide for related matters.  
4 Be it enacted by the Legislature of Louisiana:  
5 Section 1. R.S. 47:6351 is hereby repealed.  
6 Section 2. This Act shall become effective upon signature by the governor or, if not  
7 signed by the governor, upon expiration of the time for bills to become law without signature  
8 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
9 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
10 effective on the day following such approval.

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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 for the Procurement Processing Company Rebate Program which authorizes the secretary of the Department of Economic Development to enter into a contract with an initial term not to exceed 20 years, renewable for up to 20 more, with a procurement processing company, which manages the activities of unrelated purchasing companies – companies engaged in selling property and services to affiliated entities. The secretary makes the rebates to which he agrees in a contract from the state sales tax revenue generated by the new taxable sales occurring in the state as a result of the operation of a procurement

processing company. "New taxable sales" is defined as the sale of goods and services upon which state sales tax is paid under the state sales tax law which would not have occurred in the state but for the operation in the state of the procurement processing company. New taxable sales must not include any sales or purchases of services or property upon which such sales tax would have been due if the procurement processing company was not operating in the state.

After the rebates are paid to the procurement processing company and after retention of an amount necessary to provide for the expenses of DED for administration, the state treasurer is directed to transfer the following:

- (1) \$30 million from the state general fund to the Unfunded Accrued Liability and Specialized Educational Institutions Support Fund-Specialized Educational Institutions Account, which is established pursuant to R.S. 39:100.136.
- (2) 10% of the revenues collected which are attributable to the activities of purchasing companies from the state general fund to the Unfunded Accrued Liability and Specialized Educational Institutions Support Fund-UAL Account.

Proposed law repeals present law.

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

(Repeals R.S. 47:6351)