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## DIGEST

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HB 635 Original

2015 Regular Session

Jackson

**Abstract:** Reduces the amount of rebates by 20%.

Present law authorizes a rebate for donations to school tuition organizations equal to the actual amount donated by the taxpayer used to fund a scholarship for a qualified student.

Proposed law retains present law but reduces the amount of the rebate from 100% to 80% of the actual amount of the taxpayer's donation.

Present law authorizes the secretary of DED to enter into state sales and use tax rebate contracts with procurement processing companies which recruit purchasing companies to La. and to determine the amount of the rebate.

Proposed law retains present law but prohibits the rebate amount provided for in the contract from exceeding 80% of the state sales and use taxes collected on new taxable sales for all contracts entered into on or after July 1, 2015.

Present law establishes the Enterprise Zone Program which provides for tax credits and rebates for eligible businesses based on numbers of jobs, and provides for specific eligibility criteria with respect to employees for jobs that are eligible for program benefits.

Proposed law retains present law but prohibits the rebate amount provided for in the contract from exceeding 80% of the total of the actual amount of the sales and use taxes paid for contracts entered into on or after July 1, 2015.

Present law authorizes the secretary of the Dept. of Economic Development to grant a La. Mega Project Energy Assistance Rebate of severance taxes paid on natural gas consumed or used directly in the operation of the mega-project facility or consumed indirectly in the manufacture or creation of energy sold to the mega-project facility for its operation.

Proposed law retains present law but reduces the amount of the rebate from 100% to 80% of La. severance taxes that were paid to the state for cooperative endeavor agreements entered into or after July 1, 2015.

Present law creates the Corporate Headquarters Relocation Program which grants to a "qualifiedbusiness" a contract to receive a relocation rebate of 25% of "relocation costs" to relocate or expand its "headquarters" in La.

Proposed law retains present law but reduces the amount of the rebate from 25% to 20% of "relocation costs" for contracts entered into after July 1, 2015.

Present law establishes the Competitive Projects Payroll Incentive Program through which businesses can contract with the Dept. of Economic Development for receipt of rebate payments in exchange for the creation of jobs. The contract provides for three different rebates: a payment based on the amount of new payroll, a sales and use taxes rebate for taxes paid, and a payment equal to 1.5% of the amount of certain qualified capital expenditures associated with a facility utilized in the performance of the contract.

Proposed law retains present law but reduces the amount of the rebate from 1.5% to 1.2% of certain qualified capital expenditures. Further reduces the amount of the credit from a maximum of 15% to 12% of new payroll.

Effective July 1, 2015.

(Amends R.S. 47:6301(A)(1) and 6351(B)(1) and (C) and R.S. 51:1787(A)(1)(a)(ii), 2455(A), 3114(B), and 3121(C)(3)(b)(i) and (C)(4)(c); Adds R.S. 51:2367(E))