2015 Regular Session

HOUSE BILL NO. 635

BY REPRESENTATIVE JACKSON

1	AN ACT
2	To amend and reenact R.S. 51:1787(B)(3)(b), 2455(A), 3114(B), and 3121(C)(3)(b)(i) and
3	(4)(c) and to enact R.S. 51:2367(E) and 2455(D)(3), relative to rebates; to provide
4	for eligibility; to provide for a sunset of the reductions; to provide for effective dates;
5	and to provide for related matters.
6	Be it enacted by the Legislature of Louisiana:
7	Section 1. R.S. 51:1787(B)(3)(b) is hereby amended and reenacted to read as
8	follows:
9	§1787. Incentives
10	* * *
11	B. The board may enter into the contracts provided in Subsection A of this
12	Section provided that:
13	* * *
14	(3)
15	* * *
16	(b) In addition to the requirements of Subparagraph (a) of this Paragraph,
17	eligibility for a retail business which is assigned a North American Industry
18	Classification Code of 44 or 45 and has more than one hundred employees
19	nationwide including affiliates prior to the contract effective date shall be limited to
20	grocery stores and pharmacies located in an enterprise zone, as such terms are
21	defined by the department by rules promulgated in accordance with the
22	Administrative Procedure Act. Notwithstanding any other provision of law to the
23	contrary, a retail business which is assigned a North American Industry
24	Classification Code of 44, 45, or 722 and whose contract is not entered into before
25	July 1, 2015, shall be ineligible to receive benefits pursuant to the provisions of this

CODING: Words in struck through type are deletions from existing law; words $\underline{\text{underscored}}$ are additions.

Section, unless the related advance notification form was filed before July 1, 2015.

If the related advance notification form was filed before July 1, 2015, benefits are available provided the related claim for benefits is filed on or after July 1, 2016.

Section 2. R.S. 51:2455(A), 3114(B), and 3121(C)(3)(b)(i) and (4)(c) are hereby amended and reenacted and R.S. 51:2367(E) and 2455(D)(3) are hereby enacted to read as follows:

§2367. Louisiana Mega-Project Energy Assistance Rebate

8 * * *

E. With respect to projects for which the secretary makes a determination on or after July 1, 2015, that the consumption of energy will be a major cost component of the operation of a mega-fund project, pursuant to this Section, the rebate granted to a mega-project shall not exceed eighty percent of Louisiana severance taxes that were paid to the state on any 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, as determined in Paragraph (C)(1) of this Section.

* * *

§2455. Incentive rebates

A. (1) An employer who has entered into a contract may receive a rebate for the taxable periods specified in the contract entered into pursuant to the provisions of this Chapter in an amount which shall be equal to the benefit rate as defined in R.S. 51:2453(1), multiplied by the gross payroll, as defined in R.S. 51:2453(3), of new direct jobs as defined in R.S. 51:2453(4), for the taxable period as verified by the Department of Economic Development through the use of information provided to it by the Louisiana Workforce Commission. In no instance shall a rebate be determined by multiplying the value of the health care benefits by the benefit rate.

(2) For projects for which an advance notification was filed on or after July 1, 2015, pursuant to this Section, no rebate shall exceed the amount of the benefit rate as defined in R.S. 51:2453(1), multiplied by eighty percent of the gross payroll, as defined in R.S. 51:2453(3), of new direct jobs as defined in R.S. 51:2453(4), for

1	the taxable period as verified by the Department of Economic Development through
2	the use of information provided to it by the Louisiana Workforce Commission. In
3	no instance shall a rebate be determined by multiplying the value of the health care
4	benefits by the benefit rate.
5	* * *
6	D.
7	* * *
8	(3) Applications shall be filed no later than twenty-four months after the
9	filing of the advance notification, except for advances filed on or after July 1, 2011
10	and before July 1, 2012, applications may be filed at any time prior to August 15,
11	<u>2015.</u>
12	* * *
13	§3114. Contract administration; rebate
14	* * *
15	B.(1) The With respect to projects for which an invitation to apply was
16	extended by the secretary prior to July 1, 2015, the contract shall provide a rebate to
17	the qualified business of twenty-five percent of relocation costs and shall include the
18	following provisions:
19	(1) (a) The maximum amount of qualifying relocation costs.
20	(2) (b) The number of headquarters jobs and associated payroll to be created
21	and maintained and any other performance obligations deemed appropriate by the
22	secretary.
23	(3) (c) The reduction of annual rebate payments if performance obligations
24	are not met.
25	(2) With respect to projects for which an invitation to apply is extended by
26	the secretary on or after July 1, 2015, the contract shall provide a rebate to the
27	qualified business of twenty percent of relocation costs and shall include the
28	following provisions:
29	(a) The maximum amount of qualifying relocation costs.

1	(b) The number of headquarters jobs and associated payroll to be created and
2	maintained and any other performance obligations deemed appropriate by the
3	secretary.
4	(c) The reduction of annual rebate payments if performance obligations are
5	not met.
6	* * *
7	§3121. Competitive Projects Payroll Incentive Program
8	* * *
9	C. Applications and contract approval and administration. (1) At the
10	invitation of the secretary, a business may apply for a contract by submitting to the
11	department such certified statements and substantiating documents as the department
12	may require.
13	* * *
14	(3)(a)
15	* * *
16	(b) The contract shall provide for a rebate to the qualified business based
17	upon new payroll and shall include the following provisions:
18	(i) The percentage of new payroll eligible for rebate, up to a maximum of
19	fifteen percent. With respect to projects for which an invitation to apply is extended
20	by the secretary on or after July 1, 2015, pursuant to this Section, the percentage of
21	new payroll eligible for rebate shall not exceed twelve percent.
22	* * *
23	(4)
24	* * *
25	(c) In lieu of the sales and use tax rebate, a qualified business shall be
26	entitled to a project facility expense rebate equal to one and one-half percent of the
27	amount of qualified capital expenditures for the facility or facilities designated in the
28	contract for which an invitation to apply was extended by the secretary before July
29	1, 2015. With respect to projects for which an invitation to apply is extended by the
30	secretary on or after July 1, 2015, a qualified business shall be entitled to a project

facility expense rebate equal to one and two-tenths percent of the amount of qualified capital expenditures for the facility or facilities designated in the contract. For purposes of this Subparagraph, the term "qualified capital expenditures" means amounts classified as capital expenditures for federal income tax purposes related to the project plus exclusions from capitalization provided for in Internal Revenue Code Section 263 (a)(1)(A) through (L), minus the capitalized cost of land, capitalized leases of land, capitalized interest, capitalized costs of machinery and equipment to the extent capitalized manufacturing machinery and equipment costs are excluded from sales and use tax pursuant to R.S. 47:301(3), and the capitalized cost for the purchase of an existing building. When a qualified business purchases an existing building and capital expenditures are used to rehabilitate the building, only the costs of the rehabilitation shall be considered qualified capital expenditures. Additionally, a qualified business shall be allowed to increase its qualified capital expenditures to the extent the qualified business's capitalized basis is properly reduced by claiming a federal credit. A qualified business earns the project facility expense rebate in the qualified business's fiscal year in which the project is placed in service but the qualified business may not be issued the project facility expense rebate until the Department of Economic Development signs a project completion report or such other time as provided for by rule or regulation. The project completion report for the project facility expense rebate shall adhere to the same requirements found in R.S. 51:1787(A)(1)(a)(ii) for the sales and use tax rebate.

22 * * *

Section 3. R.S. 51:2455(A), 3114(B), and 3121(C)(3)(b)(i) and (4)(c) are hereby enacted to read as follows:

§2455. Incentive rebates

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A. An employer who has entered into a contract may receive a rebate for the taxable periods specified in the contract entered into pursuant to the provisions of this Chapter in an amount which shall be equal to the benefit rate as defined in R.S. 51:2453(1), multiplied by the gross payroll, as defined in R.S. 51:2453(3), of new direct jobs as defined in R.S. 51:2453(4), for the taxable period as verified by the

I	Department of Economic Development through the use of information provided to
2	it by the Louisiana Workforce Commission. In no instance shall a rebate be
3	determined by multiplying the value of the health care benefits by the benefit rate.
4	* * *
5	§3114. Contract administration; rebate
6	* * *
7	B. The contract shall provide a rebate to the qualified business of twenty-five
8	percent of relocation costs and shall include the following provisions:
9	(1) The maximum amount of qualifying relocation costs.
10	(2) The number of headquarters jobs and associated payroll to be created and
11	maintained and any other performance obligations deemed appropriate by the
12	secretary.
13	(3) The reduction of annual rebate payments if performance obligations are
14	not met.
15	* * *
16	§3121. Competitive Projects Payroll Incentive Program
17	* * *
18	C. Applications and contract approval and administration. (1) At the
19	invitation of the secretary, a business may apply for a contract by submitting to the
20	department such certified statements and substantiating documents as the department
21	may require.
22	* * *
23	(3)
24	* * *
25	(b) The contract shall provide for a rebate to the qualified business based
26	upon new payroll and shall include the following provisions:
27	(i) The percentage of new payroll eligible for rebate, up to a maximum of
28	fifteen percent.
29	* * *

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(c) In lieu of the sales and use tax rebate, a qualified business shall be entitled to a project facility expense rebate equal to one and one-half percent of the amount of qualified capital expenditures for the facility or facilities designated in the contract. For purposes of this Subparagraph, the term "qualified capital expenditures" means amounts classified as capital expenditures for federal income tax purposes related to the project plus exclusions from capitalization provided for in Internal Revenue Code Section 263 (a)(1)(A) through (L), minus the capitalized cost of land, capitalized leases of land, capitalized interest, capitalized costs of machinery and equipment to the extent capitalized manufacturing machinery and equipment costs are excluded from sales and use tax pursuant to R.S. 47:301(3), and the capitalized cost for the purchase of an existing building. When a qualified business purchases an existing building and capital expenditures are used to rehabilitate the building, only the costs of the rehabilitation shall be considered qualified capital expenditures. Additionally, a qualified business shall be allowed to increase its qualified capital expenditures to the extent the qualified business's capitalized basis is properly reduced by claiming a federal credit. A qualified business earns the project facility expense rebate in the qualified business's fiscal year in which the project is placed in service but the qualified business may not be issued the project facility expense rebate until the Department of Economic Development signs a project completion report or such other time as provided for by rule or regulation. The project completion report for the project facility expense rebate shall adhere to the same requirements found in R.S. 51:1787(A)(1)(a)(ii) for the sales and use tax rebate. Section 4. The provisions of R.S. 51:1787(B)(3)(b) as amended and reenacted by

this Act shall supercede the provisions of the Act that originated as House Bill No. 466 of this 2015 Regular Session, regardless of the order of final passage.

Section 5. Section 1 of this Act shall become effective on July 1, 2015.

1	Section 6. The provisions of Section 2 of this Act shall become effective on July 1,
2	2015 and shall remain effective through June 30, 2018. The provisions of Section 3 of this
3	Act shall become effective on July 1, 2018.
	SPEAKER OF THE HOUSE OF REPRESENTATIVES
	PRESIDENT OF THE SENATE
	TRESIDENT OF THE SENATE
	GOVERNOR OF THE STATE OF LOUISIANA

ENROLLED

HB NO. 635

APPROVED: