

ACT No. 126

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

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

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

7 §2367. Louisiana Mega-Project Energy Assistance Rebate

8 * * *

9 E. With respect to projects for which the secretary makes a determination on
10 or after July 1, 2015, that the consumption of energy will be a major cost component
11 of the operation of a mega-fund project, pursuant to this Section, the rebate granted
12 to a mega-project shall not exceed eighty percent of Louisiana severance taxes that
13 were paid to the state on any natural gas consumed or used directly in the operation
14 of the mega-project facility or consumed indirectly in the manufacture or creation
15 of energy sold to the mega-project facility for its operation, as determined in
16 Paragraph (C)(1) of this Section.

17 * * *

18 §2455. Incentive rebates

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

27 (2) For projects for which an advance notification was filed on or after July
28 1, 2015, pursuant to this Section, no rebate shall exceed the amount of the benefit
29 rate as defined in R.S. 51:2453(1), multiplied by eighty percent of the gross payroll,
30 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 2015.

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

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

* * *

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

25 §2455. Incentive rebates

26 A. An employer who has entered into a contract may receive a rebate for the
27 taxable periods specified in the contract entered into pursuant to the provisions of
28 this Chapter in an amount which shall be equal to the benefit rate as defined in R.S.
29 51:2453(1), multiplied by the gross payroll, as defined in R.S. 51:2453(3), of new
30 direct jobs as defined in R.S. 51:2453(4), for the taxable period as verified by the

1 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.

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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

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____