

2016 Regular Session

HOUSE BILL NO. 772

BY REPRESENTATIVE ABRAMSON

TAX/TAX REBATES: Provides relative to contracts for procurement processing company rebates

1 AN ACT

2 To amend and reenact R.S. 47:6351(B)(1), relative to rebate programs administered by the
3 state; to provide relative to the Procurement Processing Company Rebate program;
4 and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:6351(B)(1) is hereby amended and reenacted to read as follows:

7 §6351. Rebates; contracts for certain state sales and use tax rebates

8 B. Contract. (1) The secretary of the ~~Department of Economic~~
9 ~~Development~~ department is authorized to enter into a contract with a procurement
10 processing company to recruit to Louisiana, purchasing companies that generate
11 sales of items subject to the taxes imposed under this Title the business of which
12 shall have a significant positive economic benefit to the state. The initial term of a
13 contract shall not exceed twenty years and shall be renewable for up to an additional
14 twenty years. The contract shall provide an incentive to the procurement processing
15 company which shall be paid in the form of a rebate of a portion of the state sales
16 and use taxes collected on new taxable sales by a purchasing company which is
17 managed by a procurement processing company.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 772 Engrossed

2016 Regular Session

Abramson

Abstract: Authorizes the secretary of the Dept. of Revenue to enter into certain contracts for incentive rebate payments.

Present law authorizes the secretary of the Dept. of Economic Development (DED) to enter into a contract with a procurement processing company which recruits purchasing companies to La. for incentive rebate payments (hereinafter "rebates") in exchange for the generation of new state tax revenue from new taxable sales. Further requires the secretary of the Dept. of Revenue (DOR) to pay rebates from the state tax revenue generated by the new taxable sales occurring in La. as a result of the operation of a procurement processing company in La.

Proposed law changes the agency head authorized to enter into contracts for benefits under present law from the secretary of DED to the secretary of DOR.

(Amends R.S. 47:6351(B)(1))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Delete all proposed law in the original bill.
2. Change the agency head authorized to enter into contracts for procurement processing company rebate contracts from the secretary of the DED to the secretary of the DOR.