

2015 Regular Session

HOUSE BILL NO. 135

BY REPRESENTATIVE GISCLAIR

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

ECONOMIC DEVELOPMENT: Establishes the LA 1 Strategic Economic Zone and authorizes tax credits for certain land loss mitigation activities within the zone

1 AN ACT

2 To enact Chapter 5 of Subtitle VII of Title 47 of the Louisiana Revised Statutes of 1950, to  
3 be comprised of R.S. 47:6361 and 6362, relative to economic development; to  
4 establish the LA 1 Strategic Economic Zone and provide for its purpose; to designate  
5 the geographic boundaries of the zone; to authorize a tax credit against state income  
6 and corporation franchise taxes for certain land loss mitigation projects occurring  
7 within the zone; to provide for the amount of the credit; to provide for eligibility and  
8 other conditions for receipt of the tax credit; to provide for definitions; to provide for  
9 tax period applicability of the credit; to authorize rulemaking; and to provide for  
10 related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. Chapter 5 of Subtitle VII of Title 47 of the Louisiana Revised Statutes of  
13 1950, to be comprised of R.S. 47:6361 and 6362 is hereby enacted to read as follows:

14 CHAPTER 5. LA 1 STRATEGIC ECONOMIC ZONE

15 §6361. LA 1 Strategic Economic Zone; establishment

16 A. There is hereby established the LA 1 Strategic Economic Zone,  
17 hereinafter referred to in this Chapter as "zone", for the purpose of promoting the  
18 preservation and improvement of land areas supporting Louisiana Highway 1 in  
19 Lafourche Parish in the vicinity of Port Fourchon, hereinafter referred to as "LA 1".

20 The zone shall consist of all lands and water bottoms located within the geographic

1 area adjacent to LA 1 between the South Lafourche Levee District ring levee and  
2 Louisiana Highway 3090. The establishment of the zone represents the state's  
3 commitment to the rebuilding of LA 1 roadways and bridges that provide the sole  
4 land transport route to and from Port Fourchon. Port Fourchon services the vast  
5 majority of offshore Gulf of Mexico oil platforms and drilling rigs, as well as the  
6 Louisiana Offshore Oil Port pipeline, all of which are vital to the security of the  
7 nation's energy supply. The importance of LA 1 is further evidenced by its  
8 designation as a High Priority Corridor by the United States Congress.

9 B. State economic development efforts within the zone shall be focused on  
10 expanded economic potential to be derived from increased offshore drilling  
11 operations resulting from new technologies, foreign trade, and tourism. To further  
12 these goals, the mitigation for and prevention of land loss sustained by areas adjacent  
13 and parallel to LA 1 is of particular state interest. The geophysical integrity of lands  
14 within this zone is necessary to ensure a continuous free flow of traffic over LA 1,  
15 especially with respect to hurricane evacuations, emergency response, oil and  
16 hazardous materials spill response, and the general improvement of intermodal  
17 connectivity of existing highway, air, and water transportation in and out of Port  
18 Fourchon.

19 §6362. Tax credits for certain projects within the LA 1 Strategic Economic Zone

20 A. There shall be allowed a credit against any Louisiana income or  
21 corporation franchise tax for eligible improvement projects, hereinafter referred to  
22 as "project", that are made to qualifying private lands and water bottoms located  
23 within the LA 1 Strategic Economic Zone established pursuant to this Chapter. The  
24 amount of the credit shall be equal to thirty percent of the cost of the project. The  
25 credit shall be taken in the taxable period in which the project is completed, and any  
26 unused credit may be carried forward for a period of five years from the first year in  
27 which the credit is taken.

1           B. Definitions. For purposes of this Section, the following words and  
2           phrases shall have the following meaning unless the context clearly indicates  
3           otherwise:

4           (1) "Cost" means the materials, equipment rental, design service, and labor  
5           expenses incurred in completion of an eligible improvement project.

6           (2) "Eligible improvement project" means either of the following land loss  
7           mitigation activities when constructed on either or both qualifying private lands and  
8           water bottoms:

9           (a) Construction or rehabilitation of bulkheads intended to preserve and  
10          protect existing coastal land areas and waters in the zone.

11          (b) Refilling dredged sand pits and borrow pits with material transported  
12          from outside the zone.

13          (3) "Qualifying private lands and water bottoms" means property located  
14          within the zone and owned by either a Louisiana resident or a business domiciled and  
15          headquartered in the zone.

16          C. The secretary of the Department of Natural Resources may establish rules  
17          in accordance with the Administrative Procedure Act for purposes of implementation  
18          of this Section, to include further definition of "eligible improvement project".

19          D. The secretary of the Department of Revenue may establish rules in  
20          accordance with the Administrative Procedure Act for implementation of this  
21          Section, except that such rules shall not conflict with any rule promulgated by the  
22          Department of Natural Resources for purposes of this Section.

23          E. The provisions of this Section shall be applicable for taxable periods  
24          beginning on or after January 1, 2015.

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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)]

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HB 135 Original

2015 Regular Session

Gisclair

**Abstract:** Establishes the LA 1 Strategic Economic Zone in Lafourche Parish in the vicinity of Port Fourchon for purposes of economic development and land loss mitigation activities adjacent to LA Highway 1, and also establishes a state income and corporation franchise tax credit for land loss mitigation projects within the zone.

Proposed law establishes the LA 1 Strategic Economic Zone, hereinafter "zone", to put in effect the state's commitment to the rebuilding of LA 1 roadways and bridges and preservation and improvement of its surrounding areas. The zone is comprised of all lands and water bottoms located within the geographic area which is adjacent to LA 1 between the South Lafourche Levee District ring levee and LA Highway 3090.

Proposed law provides that state economic development efforts within the zone shall be focused on expanding the economic potential for the area which can be derived from increased offshore drilling operations, foreign trade, and tourism. Further, the geophysical integrity of lands within the zone is necessary to ensure a continuous free flow of traffic over LA 1.

Proposed law establishes a tax credit against any La. income or corporation franchise tax for eligible land loss mitigation projects within the zone. The amount of the credit shall be equal to 30 % of the cost of the project completed in the tax year. The credit shall be taken in the taxable period in which the project is completed, and any unused credit may be carried forward for a period of five years.

Proposed law provides definitions for various terms for purposes of the tax credit, including the definition of "eligible improvement project" as land loss mitigation projects involving construction of bulkheads and fill in areas.

Proposed law authorizes the promulgation of rules in accordance with the Dept. of Natural Resources and the Dept. of Revenue for purposes of implementation of proposed law.

Proposed law is applicable for taxable periods beginning on or after Jan. 1, 2015.

(Adds R.S. 47:6361 and 6362)