

Regular Session, 2010

HOUSE BILL NO. 654

BY REPRESENTATIVE ABRAMSON

TAX/SALES & USE: Establishes the Greater New Orleans Biosciences Economic Development District Tax Rebate Program in Jefferson and Orleans parishes

1 AN ACT

2 To enact Chapter 1-A of Subtitle VII of Title 47 of the Louisiana Revised Statutes of 1950,  
3 to be comprised of R.S. 47:6080 and 6081, relative to sales and use tax rebates; to  
4 establish the Greater New Orleans Biosciences Economic Development District Tax  
5 Rebate program; to provide for a state and local sales and use tax rebate program in  
6 Jefferson and Orleans parishes; to provide for certain eligibility requirements and  
7 limitations; to provide for the payment of such rebates; to provide for the  
8 administration of the program; to provide for an effective date; and to provide for  
9 related matters.

10 Notice of intention to introduce this Act has been published  
11 as provided by Article III, Section 13 of the Constitution of  
12 Louisiana.

13 Be it enacted by the Legislature of Louisiana:

14 Section 1. Chapter 1-A of Subtitle VII of Title 47 of the Louisiana Revised Statutes  
15 of 1950, comprised of R.S. 47:6080 and 6081, is hereby enacted to read as follows:

16 CHAPTER 1-A. GREATER NEW ORLEANS BIOSCIENCES ECONOMIC  
17 DEVELOPMENT DISTRICT TAX REBATE PROGRAM

18 §6080. Short title and declaration of purpose

19 A. This Chapter shall be known as the "Greater New Orleans Biosciences  
20 Economic Development District Tax Rebate Program Act".

1           B.(1) In 2005, the legislature created the Greater New Orleans Biosciences  
2           Economic Development District in order to promote development of the medical and  
3           bioscience industries in the New Orleans area. In 2004, the New Orleans medical  
4           and biosciences efforts employed approximately twenty-four thousand persons with  
5           average salaries well above the state average. The district receives considerable  
6           federal bioscience research funding. The district was created for the purpose of  
7           facilitating the creation of high paying jobs by assisting the biomedical institutions  
8           and employees in the district with development of bioscience facilities and programs,  
9           assisting with increasing research and training dollars for institutions within the  
10           district, increasing basic and clinical research, and the development of a health and  
11           bioscience workforce.

12           (2) The legislature hereby finds and declares that the welfare of the people  
13           of Orleans Parish is dependent upon the continued encouragement, development,  
14           growth, and expansion of the medical and bioscience industries in the parish. The  
15           legislature further finds and declares that it is the purpose of this Chapter to not only  
16           stimulate business and industrial growth in the medical and bioscience industries in  
17           Orleans Parish, but to encourage and promote employees of these industries to  
18           purchase, renovate, or refurbish vacant and abandoned property in Orleans Parish for  
19           use as their homesteads. One of the lingering, devastating effects of Hurricane  
20           Katrina in Orleans Parish is the increased number of vacant, abandoned, or destroyed  
21           homes and property. Since Orleans and Jefferson parishes are so closely connected  
22           and many residents of Orleans Parish shop and frequent retail businesses in Jefferson  
23           Parish, the legislature hereby establishes this sales and use tax rebate program in  
24           Jefferson and Orleans parishes as a way of forming a regional partnership between  
25           these parishes by authorizing certain purchases of tangible person property and  
26           services necessary to construct new homes or rebuild or refurbish damaged or  
27           destroyed homes in Orleans Parish and return those properties to commerce.

1        §6081. Tax rebate program; Jefferson and Orleans parishes

2                A.(1) In accordance with the provisions of this Section, the sales and use tax  
3        imposed by the state and imposed by any political subdivision within Jefferson and  
4        Orleans parishes on the following items of tangible personal property or services  
5        shall be eligible for a rebate:

6                (a) Purchases in Jefferson and Orleans parishes of materials used in the  
7        construction, rebuilding, or remodeling of a home located within Orleans Parish  
8        intended to house any legitimate employee of a hospital, medical, or bioscience  
9        facility located with the boundaries of the Greater New Orleans Biosciences  
10       Economic Development District, hereinafter referred to as "employee".

11               (b) Purchases in Jefferson and Orleans parishes of materials or items of  
12       tangible personal property to furnish or decorate the employee's home which shall  
13       be located in Orleans Parish.

14               (c) Sales of services in Jefferson and Orleans parishes, including but not  
15       limited to the cleaning and renovation of furniture, carpet, and rugs, and the  
16       furnishing of repairs to tangible personal property, including but not limited to the  
17       repair and servicing of electrical and mechanical appliances and equipment.

18               (2) Eligibility for the state and local sales and use tax rebates authorized in  
19       this Section shall be limited to purchases of items of tangible personal property and  
20       sales of services by an employee intended for a home located within Orleans Parish  
21       intended to house the employee or the employee's family and for which the employee  
22       claims the homestead exemption. The employee shall only be eligible for purchases  
23       made during the employees's first thirty-six months of employment with a hospital,  
24       medical, or bioscience facility located with the boundaries of the Greater New  
25       Orleans Biosciences Economic Development District.

26               B. Application for the payment of any rebate of sales and use taxes granted  
27       pursuant to this Section shall be filed no later than six months from the date the  
28       purchase is made by an employee. Requests for rebate of state sales and use taxes  
29       on eligible purchases shall be submitted to the Department of Revenue and requests

1 for rebate of local sales and use taxes shall be submitted to the governing authorities  
2 of Jefferson and Orleans parishes. The amount to be rebated shall in no case be  
3 greater than the total of the actual amount of the sales and use taxes paid.

4 C.(1) Requests for rebates of state sales and use tax pursuant to this Section  
5 shall be administered and processed by the Department of Revenue as follows:

6 (a) A properly completed rebate request shall be submitted to the Department  
7 of Revenue on forms provided by the department. For purposes of this Paragraph,  
8 a properly completed rebate request shall mean a rebate request that includes the  
9 general information required on the face of the request, is signed by the applicant,  
10 and shall include a copy of all original receipts and invoices of purchases eligible for  
11 the rebate. All rebate requests shall also include official documentation from the  
12 applicant's employer certifying the beginning date and current status of the  
13 applicant's employment with a hospital, medical, or bioscience facility located  
14 within the boundaries of the Greater New Orleans Biosciences Economic  
15 Development District. The request shall be submitted electronically unless the  
16 secretary of the Department of Revenue grants the applicant permission to submit  
17 the request in an alternate form.

18 (b) Within ten business days of the receipt of a properly completed rebate  
19 request, the Department of Revenue shall rebate eighty percent of the total amount  
20 claimed for rebate in the rebate request. Within three months of the date of filing the  
21 rebate request, the Department of Revenue shall audit the rebate request. During  
22 such three-month period, the Department of Revenue shall disallow items  
23 determined to be ineligible for rebate. Within ten business days following the  
24 expiration of such three-month period, the Department of Revenue shall rebate the  
25 remaining twenty percent of the amount claimed on the rebate request less any  
26 amounts properly disallowed during the three-month audit period. The Department  
27 of Revenue shall make such rebates from the current collections of the taxes  
28 collected pursuant to Chapter 2, Chapter 2-A, or Chapter 2-B of Subtitle II of Title  
29 47 of the Louisiana Revised Statutes of 1950, as amended. Any sales and use tax

1 rebate issued shall be subject to subsequent audit by the Department of Revenue, and  
2 any rebate amount determined to be in excess of that which should have been  
3 allowed shall be subject to collection by the Department of Revenue.

4 (c) Failure of the Department of Revenue to timely pay rebates as provided  
5 herein shall entitle the taxpayer to interest, which shall begin to accrue three months  
6 after the completed rebate request is received at the rate established pursuant to the  
7 provisions of R.S. 13:4202. Payments of interest authorized according to the  
8 provisions of this Section shall be made from the current collections of taxes  
9 collected pursuant to Chapter 2, Chapter 2-A, or Chapter 2-B of Subtitle II of Title  
10 47 of the Louisiana Revised Statutes of 1950, as amended.

11 (2) Requests for local sales and use tax rebates authorized pursuant to the  
12 provisions of this Section shall be administered and processed by the governing  
13 authorities of Jefferson and Orleans parishes as follows:

14 (a) Within ninety days from the date that a properly completed rebate request  
15 submitted by a taxpayer is received by the appropriate local taxing authority, the  
16 taxing authority shall review the rebate request and issue a rebate check to the  
17 taxpayer for allowed items and shall notify the taxpayer of any disallowed items.  
18 For purposes of this Paragraph, a properly completed rebate request shall mean a  
19 rebate request that includes the general information required on the face of the  
20 request, is signed by the applicant, and shall include a copy of all original receipts  
21 and invoices of purchases eligible for the rebate. All rebate requests shall also  
22 include official documentation from the applicant's employer certifying the  
23 beginning date and current status of the applicant's employment with a hospital,  
24 medical, or bioscience facility located within the boundaries of the Greater New  
25 Orleans Biosciences Economic Development District. Within sixty days from receipt  
26 of the notification of disallowed items, the taxpayer shall resubmit a properly  
27 completed rebate request for disallowed items to the taxing authority for  
28 reconsideration. The time periods for reconsideration of disallowed items in a rebate  
29 request shall be the same as the time periods for consideration of the initial rebate

1        request. Rebate requests may be submitted electronically with the approval of the  
2        local taxing authority. Failure by the appropriate local taxing authority to timely  
3        process and pay a local sales and use tax rebate in accordance with the provisions of  
4        this Section shall entitle the taxpayer to interest on the amount of the allowed items  
5        contained in the properly completed rebate request. Interest shall begin to accrue on  
6        the date the properly completed rebate request or reconsideration of disallowed items  
7        in a properly completed rebate request is received by the taxing authority at the rate  
8        established pursuant to the provisions of R.S. 13:4202.

9                D. Neither the state nor the governing authorities of Jefferson or Orleans  
10               parishes shall charge a fee as a precondition to authorizing the rebate under this  
11               Section. The state and governing authorities of Jefferson or Orleans parishes shall,  
12               after all requirements of this Section have been met, promptly rebate any sales and  
13               use taxes to the applicant entitled to the rebate.

14               E. Sales and use taxes imposed by a political subdivision which are  
15               dedicated to the repayment of bonded indebtedness or dedicated to schools shall not  
16               be eligible for rebate. All other state and local sales and use taxes shall be eligible  
17               for rebate.

18               F. The provisions of this Section shall be applicable to all eligible purchases  
19               made after July 1, 2010.

20        Section 2. This Act shall become effective on July 1, 2010, and shall be applicable  
21 to all eligible purchases made on or after July 1, 2010.

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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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Abramson

HB No. 654

**Abstract:** Establishes the Greater New Orleans Biosciences Economic Development District Tax Rebate Program in Jefferson and Orleans parishes for the rebate of state and local sales and use taxes collected on certain items of tangible personal property and services.

Proposed law establishes the Greater New Orleans Biosciences Economic Development District Tax Rebate Program which provides that the sales and use tax imposed by the state

and by any political subdivision within Jefferson and Orleans parishes on the following items of tangible personal property and services shall be eligible for a rebate:

- (1) Purchases in Jefferson and Orleans parishes of materials used in the construction, rebuilding, or remodeling of a home located within Orleans parish.
- (2) Purchases in Jefferson and Orleans parishes of materials or items of tangible personal property intended to furnish or decorate a home located in Orleans Parish.
- (3) Sales of services in Jefferson and Orleans parishes, including the cleaning and renovation of furniture, carpet, and rugs, and the furnishing of repairs to items such as the repair and servicing of electrical and mechanical appliances and equipment.

Proposed law provides that in order to be eligible for the sales and use tax rebate authorized by proposed law, purchases of items and sales of services shall be made by a legitimate employee of a hospital, medical, or bioscience facility located within the boundaries of the Greater New Orleans Biosciences Economic Development District (GNOBEDD) and the purchases shall be intended for a home located within Orleans Parish intended to house the employee or the employee's family and for which the employee claims the homestead exemption. An employee shall only be eligible for purchases made during the employee's first 36 months of employment with a facility located within the boundaries of the GNOBEDD.

Proposed law requires that rebate applications be filed no later than six months from the date the purchase is made by the employee. Further requires that rebate requests for state taxes be submitted to the Dept. of Revenue (DOR) and rebate requests for local sales and use taxes be submitted to the governing authorities of Jefferson and Orleans parishes.

Proposed law requires that all rebate requests include official documentation from the applicant's employer certifying the beginning date and current status of the applicant's employment with a facility located within the boundaries of the GNOBEDD. Requires, within 10 business days of the receipt of a properly completed rebate request, the DOR to rebate 80% of the total amount claimed for rebate and within three months of the date of filing the rebate request, the DOR shall audit the rebate request. During the three-month period, the DOR shall disallow items determined to be ineligible for rebate. Within 10 business days following the expiration of such three-month period, the DOR shall rebate the remaining 20% of the amount claimed on the rebate request less any amounts properly disallowed during the three-month audit period. Failure of the DOR to timely pay rebates shall entitle the taxpayer to interest, which shall begin to accrue three months after the completed rebate request is received by the DOR.

Proposed law requires DOR to pay rebate amounts from the current collections of sales and use taxes collected pursuant to present law.

Proposed law requires rebate requests for local sales and use taxes to be processed by the governing authorities of Jefferson and Orleans parishes. Within 90 days from the date a properly completed rebate request is received by the appropriate local taxing authority, the taxing authority shall review the rebate request and issue a rebate check for allowed items and shall notify the taxpayer of any disallowed items. Within 60 days from receipt of the notification of disallowed items, the taxpayer shall resubmit a properly completed rebate request for disallowed items to the taxing authority for reconsideration. Failure by the appropriate local taxing authority to timely process and pay a local sales and use tax rebate shall entitle the taxpayer to interest on the amount of the allowed items contained in the properly completed rebate request.

Proposed law prohibits the state and the governing authorities of Jefferson or Orleans parishes from charging a fee as a precondition to authorizing the rebate.

Proposed law prohibits sales and use taxes imposed by a political subdivision dedicated to the repayment of bonded indebtedness or dedicated to schools from being eligible for rebate.

Effective July 1, 2010, and applicable for all eligible purchases made on or after July 1, 2010.

(Adds R.S. 47:6080 and 6081)