

SENATE BILL NO. 134

BY SENATORS CLAITOR AND MARIONNEAUX

1 AN ACT

2 To amend and reenact the title to Part VI of Chapter 39 of Title 51 of the Louisiana Revised
3 Statutes of 1950, R.S. 51:2352(3) and 2353 through 2356 and to enact R.S. 47:6038
4 and R.S. 51:2306, relative to the Technology Commercialization Credit Program; to
5 extend the program; to provide for the Technology Commercialization Rebate and
6 Jobs Program; to provide for a limitation on the receipt of other incentives; to require
7 reports by the secretary of the Department of Economic Development; and to provide
8 for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:6038 is hereby enacted to read as follows:

11 **§6038. Reports; tax incentives administered by the Department of Economic**
12 **Development**

13 **Notwithstanding any provision of law to the contrary, the secretary of**
14 **the Department of Economic Development shall report to the Joint Legislative**
15 **Committee on the Budget information concerning the granting and denial of tax**
16 **credits and rebates, hereinafter referred to as "tax incentives", administered by**
17 **the department authorized under this Chapter. On January thirtieth of each**
18 **year, the secretary shall transmit to the members of the committee a list of the**
19 **recipients of each tax incentive, as well as a list of applicants denied tax**
20 **incentives, over the most recently concluded calendar year. The report shall**
21 **contain the name and primary place of business of each applicant.**

22 Section 2. The title to Part VI of Chapter 39 of Title 51 of the Louisiana Revised
23 Statutes of 1950, R.S. 51:2352(3) and 2353 through 2356 are hereby amended and reenacted
24 and R.S. 51:2306 is hereby enacted to read as follows:

25 **§2306. Reports; tax incentives administered by the Department of Economic**
26 **Development**

27 **Notwithstanding any provision of law to the contrary, the secretary of**

1 the Department of Economic Development shall report to the Joint Legislative
 2 Committee on the Budget information concerning the granting and denial of tax
 3 credits and rebates, hereinafter referred to as "tax incentives", administered by
 4 the department authorized under this Title. On January thirtieth of each year,
 5 the secretary shall transmit to the members of the committee a list of the
 6 recipients of each tax incentive, as well as a list of applicants denied tax
 7 incentives, over the most recently concluded calendar year. The report shall
 8 contain the name and primary place of business of each applicant.

9 * * *

10 PART VI. TECHNOLOGY COMMERCIALIZATION CREDIT

11 AND JOBS PROGRAM

12 * * *

13 §2352. Definitions

14 In this Part, the following terms shall have the meanings provided in this
 15 Section, unless the context clearly requires otherwise:

16 * * *

17 (3) "Taxpayer" means a natural person, business, corporation, or other
 18 business entity that seeks to or has become qualified to claim a credit on any income
 19 or corporation franchise tax liability against taxes owed to Louisiana.

20 * * *

21 §2353. Technology Commercialization Credit and Jobs Program; establishment;
 22 qualifications; administration

23 A. Qualifying individuals or businesses that invest in the commercialization
 24 of Louisiana technology in Louisiana may earn, apply for, and be granted a
 25 refundable tax credit on any income or corporation franchise tax liability and earn
 26 a refundable tax credit based on new jobs created. Qualifying research centers that
 27 develop Louisiana technology to be commercialized may earn, apply for, and be
 28 granted a refundable tax credit based on new jobs created. Such credits shall be
 29 earned and granted for a period of not less than five tax years as provided in this Part.
 30 The administration of applications for these credits and the provision of these credits

1 shall be called the Technology Commercialization Credit and Jobs Program.

2 B.(1) The Technology Commercialization Credit and Jobs Program shall be
3 implemented and administered by the Department of Economic Development. In
4 compliance with the Administrative Procedure Act and this Part, the department shall
5 adopt and promulgate such rules as are necessary for the efficient and effective
6 administration of this program in keeping with the purposes for which it is enacted.

7 (2) In providing for the implementation and administration of the program,
8 the department shall work closely with the secretary of the Department of Revenue.

9 (3) Such rules shall include provisions for:

10 (a) The Department of Economic Development to certify the eligibility of any
11 applicant for receipt of the tax credit provided for in this Part and the qualification
12 of any claimant to claim the credit against state tax liability.

13 (b) The presentation of an applicant's eligibility certification and any other
14 documentation required to be applied for and earn or claim a credit.

15 C.(1) To qualify for a technology commercialization credit for five tax years,
16 all of the following qualifications shall be required by each applicant:

17 (a) The investment in commercialization costs, including investment by
18 purchase or lease of machinery and equipment which is placed into and maintained
19 in service in Louisiana that is directly related to the production of technology or is
20 used to produce resources essential to the production of technology.

21 (b) An agreement with a Louisiana regionally accredited college, technical
22 school, university, or research company to commercialize or research a technology.

23 (c) An investment, pursuant to Subparagraph (a) of this Paragraph, of no
24 more than two hundred fifty thousand dollars in Louisiana shall be eligible for this
25 credit.

26 (2) To qualify for a technology commercialization credit for five additional
27 **tax** years immediately succeeding the first five years as provided in Paragraph (1)
28 of this Subsection, the applicant shall demonstrate that it will continue to increase
29 the number of jobs of the applicant in Louisiana and continue to meet the
30 requirements of Paragraph (1) of this Subsection.

1 (3) To qualify for a refundable tax credit based on new jobs created for five
2 years, all of the following qualifications shall be required:

3 (a) The applicant must meet the requirements of Paragraph (1) of this
4 Subsection or be a nonprofit or governmental research center approved by the
5 secretary of the Department of Economic Development.

6 (b) The applicant must create a minimum of five new direct jobs in this state
7 as defined by R.S. 51:2453(4).

8 (c) The applicant must offer a basic health benefits plan to the individuals it
9 employs in new direct jobs in this state, and the plan shall be approved and meet the
10 requirements that may be established by the Department of Economic Development.

11 (d) The new direct jobs shall pay an average minimum of fifty thousand
12 dollars per year in wages to qualify for the new jobs refundable tax credit, excluding
13 wages to a person who owns more than thirty percent of the equity of the applicant.

14 (4) To qualify for a new jobs refundable tax credit for five additional **tax**
15 years immediately succeeding the first five **tax** years as provided in Paragraph (3)
16 of this Subsection, the applicant shall demonstrate that it continues to meet the
17 requirements of such Paragraph, and the statutory minimum wage requirement shall
18 be increased by twelve percent.

19 D. No technology commercialization refundable tax credit or refundable tax
20 credit based on jobs shall be earned, applied for, and granted for more than ten
21 consecutive tax years with regard to the same location.

22 §2354. Technology commercialization credit; amount; duration; forfeit

23 A. Except as provided in Subsection B of this Section, the taxpayer may earn
24 and apply for and, if qualified, be granted a refundable **tax** credit which may be
25 applied to any income or corporation franchise tax liability owed to the state by the
26 taxpayer seeking to claim the credit, equal in value to forty percent of the amount
27 of money invested by the taxpayer applicant in commercialization costs for one
28 business location **meeting the requirements of R.S. 51:2353(C)(1) and (2) as**
29 **certified by the Department of Economic Development.**

30 B. A tax credit granted pursuant to this Part shall expire and have no value

1 or effect on tax liability beginning with the twenty-first tax year after the tax year in
 2 which it was originally earned, applied for, and granted.

3 ~~€~~: An applicant that meets the requirements of R.S. 51:2353 and is approved
 4 by the Department of Economic Development may receive a refundable tax credit
 5 based on new jobs for the period of time approved which shall be equal to six percent
 6 multiplied by the gross payroll of new direct jobs **meeting the requirements of R.S.**
 7 **51:2353(C)(3) and (4)** as ~~verified~~ **certified** by the Department of Economic
 8 Development.

9 ~~Đ~~: C. Upon approval of such an application, the Department of Economic
 10 Development shall notify the Department of Revenue and shall provide it with a
 11 copy of the ~~application~~ **certification**. The Department of Revenue may require the
 12 qualified employer to submit such additional information as may be necessary to
 13 administer the provisions of this Chapter. The approved employer shall file
 14 applications for refundable tax credits based on new jobs with the Department of
 15 Economic Development to show its continued eligibility for the refundable tax
 16 credits . The employer may be audited by the Department of Economic Development
 17 to verify such eligibility.

18 §2355. Applicant receiving tax credits not eligible to receive ~~certain~~ other tax credits
 19 ~~and exemptions~~ **incentives**

20 Notwithstanding any other provision of law to the contrary, ~~an applicant who~~
 21 ~~receives tax credits pursuant to the provisions of this Chapter shall not be eligible to~~
 22 ~~receive the other credits or exemptions provided for in the following provisions of~~
 23 ~~law in connection with the activity for which the tax credits or rebates were received:~~

- 24 ~~(1) The tax credit for generation of new jobs provided for in R.S. 47:34.~~
- 25 ~~(2) The Louisiana Quality Jobs Program provided for in R.S. 51:2451 et seq.~~
- 26 ~~(3) The employer credit for employment of previously unemployed persons~~
 27 ~~provided for in R.S. 47:6004.~~
- 28 ~~(4) The Louisiana basic skills training tax credit provided for in R.S. 47:6009.~~
- 29 ~~(5) The tax credit for employee alcohol and substance abuse treatment~~
 30 ~~programs provided for in R.S. 47:6010.~~

1 ~~(6) The sales tax rebate and income tax credits of the Enterprise Zone~~
2 ~~Program provided for in R.S. 51:1787.~~

3 ~~(7) The reentrant jobs credit for formerly incarcerated employees provided~~
4 ~~for in R.S. 47:287.748.~~

5 ~~(8) The corporation income tax credit for new jobs provided for in R.S.~~
6 ~~47:287.749.~~

7 ~~(9) The neighborhood assistance tax credit provided for in R.S. 47:287.753.~~

8 **a taxpayer shall not receive any other tax incentive administered by the**
9 **Department of Economic Development for any expenditures for which the**
10 **taxpayer has received a credit under this Section.**

11 §2356. Expiration date of credit

12 There shall be no tax credits granted or earned under this Part after December
13 31, 2011 **2017**.

14 Section 3. This Act shall become effective on July 1, 2011; if vetoed by the governor
15 and subsequently approved by the legislature, this Act shall become effective on July 1,
16 2011, or on the day following such approval by the legislature, whichever is later.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____