

2015 Regular Session

SENATE BILL NO. 233

BY SENATOR DONAHUE

FISCAL CONTROLS. Establishes a baseline limit on the payment of rebates and the use of tax credits in a fiscal year for Enterprise Zone and Quality Job Program contracts and provides a sunset date for the Enterprise Zone program. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 51:2455(A) and (C) and 2457(A)(4) and to enact R.S.
3 51:1787(H) and 1792, relative to incentive credits and rebates; to provide for a
4 baseline limit on the payment of certain incentive rebates and the use of certain
5 incentive tax credits in a fiscal year; to provide a termination date for entering such
6 contracts; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 51:2455(A) and (C) and 2457(A)(4) are hereby amended and
9 reenacted and R.S. 51:1787(H) and 1792 are hereby enacted to read as follows:

10 §1787. Incentives

11 * * *

12 **H. Notwithstanding any other provision of this Chapter, for each fiscal**
13 **year beginning Fiscal Year 2015-2016, no more than the baseline average of**
14 **seventy-three million dollars of the aggregate amount of claims filed for the**
15 **rebates or credits provided for in this Chapter during the five fiscal years from**
16 **Fiscal Year 2008-2009 to Fiscal Year 2013-2014 shall be paid as a rebate of sales**
17 **and use tax and allowed as a credit against income or corporate franchise tax**

1 liability, or both, for all such claims for the rebate and credit filed during a
2 fiscal year. Claims for the rebate and credit shall be allowed on a first-come,
3 first-served basis. Any employer whose claim for such rebate, tax credit, or both
4 is disallowed may claim the rebate in the next fiscal year, or use the tax credit
5 against income or corporate franchise tax liability due in a return filed in the
6 next fiscal year, or both, and his claim shall have priority over other claims filed
7 after the date and time of his original claim.

8 * * *

9 **§1792. Termination**

10 No Enterprise Zone contract shall be entered into nor shall any rebate
11 or credit be granted after June 30, 2021.

12 * * *

13 §2455. Incentive rebates

14 A. ~~An~~ **Subject to the provisions of Paragraph (C)(2) of this Section, an**
15 employer who has entered into a contract may receive a rebate for the taxable periods
16 specified in the contract entered into pursuant to the provisions of this Chapter in an
17 amount which shall be equal to the benefit rate as defined in R.S. 51:2453(1),
18 multiplied by the gross payroll, as defined in R.S. 51:2453(3), of new direct jobs as
19 defined in R.S. 51:2453(4), for the taxable period as verified by the Department of
20 Economic Development through the use of information provided to it by the
21 Louisiana Workforce Commission. In no instance shall a rebate be determined by
22 multiplying the value of the health care benefits by the benefit rate.

23 * * *

24 C.**(1)** Notwithstanding any other provision of law to the contrary in Title 47
25 of the Louisiana Revised Statutes of 1950, as amended, the secretary of the
26 Department of Revenue shall make the rebate authorized in this Section from the
27 current collections of the taxes imposed by Chapter 1 or Chapter 5 of Subtitle II of
28 Title 47 of the Louisiana Revised Statutes of 1950, as amended. The right to such
29 rebate shall not be subject to the requirements of R.S. 47:1621(B).

1 (2) Notwithstanding any other provision of this Chapter, for each fiscal
 2 year beginning Fiscal Year 2015-2016, no more than the baseline average of
 3 fifty-five million dollars of the amount of claims filed for the rebates provided
 4 for in this Chapter during the five fiscal years from Fiscal Year 2008-2009 to
 5 Fiscal Year 2013-2014 shall be paid as a rebate for all such claims for the rebate
 6 during a fiscal year. Claims for the rebate shall be allowed on a first-come, first-
 7 served basis. Any employer whose claim for such rebate, tax credit, or both is
 8 disallowed may claim the rebate in the next fiscal year, and his claim shall have
 9 priority over other claims filed after the date and time of his original claim.

10 * * *

11 §2457. Filing claim to receive rebate; determination; repayment

12 A. * * *

13 (4) Upon approval of the application for the annual rebate, the application
 14 shall be forwarded to the Department of Revenue for payment. ~~The Subject to the~~
 15 provisions of Paragraph (C)(2) of this Section, the Department of Revenue shall
 16 make payment of the rebate after offset, if applicable, under R.S. 47:1622. The rebate
 17 shall be considered a refundable overpayment for the purpose of such offset.

18 * * *

19 Section 2. This Act shall become effective upon signature by the governor or, if not
 20 signed by the governor, upon expiration of the time for bills to become law without signature
 21 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 22 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 23 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Riley Boudreaux.

DIGEST

SB 233 Original 2015 Regular Session Donahue

Present law grants an employer who has entered into a Quality Jobs Program contract a
 rebate for the taxable periods specified in the contract in an amount which is the benefit rate
 (5% or 6%) multiplied by the gross payroll of new direct jobs.

Present law authorizes Enterprise Zone contracts which grant sales and use tax rebates and

credits against income and corporate franchise tax liability.

Proposed law allows no more than the "baseline average" of \$73 million of the aggregate amount of claims filed for the Enterprise Zone sales and use tax rebates or tax credits during the five fiscal years from Fiscal Year 2008-2009 to Fiscal Year 2013-2014 to be paid as a rebate or used as a credit against income and corporate franchise tax, or both, for all claims for the rebate and credit filed during a fiscal year.

Proposed law allows no more than the "baseline average" of \$55 million of the amount of claims filed for the Quality Jobs Program rebates during the five fiscal years from Fiscal Year 2008-2009 to Fiscal Year 2013-2014 to be paid as a rebate for all claims for the rebate and credit filed during a fiscal year.

Proposed law allows claims on a first-come, first-served basis. Any employer whose claim is disallowed may claim the rebate in the next fiscal year, or use the tax credit against income or corporate franchise tax liability due in a return filed in the next fiscal year, or both, and his claim has priority over other claims filed after the date and time of his original claim.

Proposed law prohibits entering into Enterprise Zone contracts after June 30, 2021.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 51:2455(A) and (C) and 2457(A)(4); adds R.S. 51:1787(H) and 1792)