

Regular Session, 2013

HOUSE BILL NO. 571

BY REPRESENTATIVE ROBIDEAUX

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

TAX/TAX REBATES: Provides relative to rebates and rebate programs

1 AN ACT

2 To amend and reenact R.S. 51:1787(A)(3) and (B)(3) and 1791 and to enact R.S. 47:6302
3 and R.S. 51:3116 and 3122, relative to rebates and rebate programs, to provide
4 requirements for rebate contracts; to provide for the administration of rebate
5 programs; to authorize the promulgation of rules and regulations; to provide for
6 effectiveness; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:6302 is hereby enacted to read as follows:

9 §6302. Suspension of Rebate

10 A. Notwithstanding any provision of law to the contrary, the provisions of
11 this Chapter and the authorization to issue or pay a rebate shall be ineffective
12 beginning on and after July 1, 2013, through June 30, 2016. Beginning July 1, 2016,
13 the provisions of this Chapter and the authority to issue or pay a rebate shall have the
14 full force and effect of law.

15 B. The provisions of this Section shall not apply with respect to the
16 satisfaction of any claim for a rebate based on a donation made between January 1,
17 2013, and June 30, 2013.

18 Section 2. R.S. 51:1787(A)(3) and (B)(3) and 1791 are hereby amended and
19 reenacted to read as follows:

1 §1787. Incentives

2 A. The board, after consultation with the secretaries of the Department of
3 Economic Development and Department of Revenue, and with the approval of the
4 governor, may enter into contracts not to exceed five years to provide:

5 * * *

6 (3) The tax credit provided in Paragraph (2) of this Subsection shall be
7 applicable only to a position within the state that did not previously exist in the
8 business enterprise and that is filled by a person who is a citizen of the United States
9 and who is domiciled in Louisiana, or who is a citizen of the United States and
10 becomes domiciled in Louisiana within sixty days after his employment in such
11 position, performing duties in connection with the operation of the business
12 enterprise ~~either~~ as a regular, full-time employee ~~or as a part-time employee~~
13 ~~employed for at least twenty hours per week~~ for at least six months during the
14 taxable year. The total number of credits allowed to a business enterprise for
15 employees who are citizens of the United States and who become domiciled in
16 Louisiana within sixty days after employment shall not exceed fifty percent of the
17 total number of credits allowed to the business enterprise under the contract.

18 B. The board may enter into the contracts provided in Subsection A of this
19 Section provided that:

20 * * *

21 (3)(a) The business certifies that at least ~~thirty-five~~ fifty percent of its
22 employees:

23 ~~(a)~~(i) Are residents of either:

24 ~~(i)~~ (aa) Any enterprise zone in Louisiana for a business located in an urban
25 enterprise zone, or a business not located in either an enterprise zone or an economic
26 development zone.

27 ~~(ii)~~ (bb) The same parish as the location of the business, or any enterprise
28 zone in Louisiana, for a business located in a rural enterprise zone, an economic
29 development zone, or an enterprise zone in Calcasieu Parish.

1 Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act
2 shall become effective on the day following such approval.

3 (B) This Act shall take effect and become operative only if the proposed
4 amendments of the Constitution of Louisiana contained in the Joint Resolutions which
5 originated as House Bill Nos. 434, 435, and 436 of this 2013 Regular Session of the
6 Legislature are concurred in by both houses of the legislature and House Bill Nos. 1, 437,
7 456, 474, 571, 620, 653 and 696 of this 2013 Regular Session of the Legislature are enacted
8 into law.

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)]

Robideaux

HB No. 571

Abstract: Provides for eligibility for the Enterprise Zone Program, and temporarily suspends the Competitive Projects Payroll Incentive Program, the Corporate Headquarters Relocation Program, and rebates for donations to school tuition organizations.

Present law establishes the Enterprise Zone Program which provides for tax credits and rebates for eligible businesses.

Present law grants benefits under the program based on numbers of jobs. Part-time jobs may be counted for purposes of eligibility.

Proposed law deletes present law authorizing participation based on part-time employees.

Present law provides for specific eligibility criteria with respect to employees in jobs which are eligible for program benefits. The criteria include a requirement that an employee receive public assistance prior to employment.

Proposed law retains present law and specifies that the person shall have been receiving public assistance for six months prior to employment.

Proposed law adds a limitation on eligibility for retail businesses. If such a business has more than 100 employees nationwide it must be a pharmacy or grocery store located within an enterprise zone.

Present law authorizes a rebate payment equal to the amount of a donation to a Student Tuition Organization for purposes of creating scholarships for students at poorly performing public schools to instead attend nonpublic schools.

Proposed law suspends present law, including the authority to issue or pay a rebate, from July 1, 2013 through June 30, 2016. Present law shall have full force and effect on July 1, 2016. However, proposed law shall not apply with respect to the satisfaction of any claim for a rebate based on a donation made between Jan. 1, 2013 and June 30, 2013.

Present law establishes the Competitive Projects Payroll Incentive Program which provides for rebate payments equal to 15% of payroll expenses for the following types of businesses: manufacturing of numerous durable goods and pharmaceutical products, conversion of natural gas to other fuel, data storage, data services, and any activities recommended by the secretary of the Dept. of Economic Development.

Proposed law suspends present law, including the authority to enter into contracts for rebates from July 1, 2013 through June 30, 2016. Present law shall have full force and effect on July 1, 2016. However, proposed law shall not apply in cases where the secretary of the Dept. of Economic Development has entered into a cooperative endeavor agreement with a business entity for purposes of receiving the rebate incentive authorized under present law, regardless of whether the contract has been approved by the Joint Legislative Committee on the Budget prior to July 1, 2013.

Present law establishes the Corporate Headquarters Relocation Program which provides rebate payments equal to 25% of qualifying relocation expenses for business which move their corporate headquarters to La. Requirements for participation include the creation of at least 25 "headquarters jobs".

Proposed law suspends present law, including the authority to enter into contracts for rebates from July 1, 2013 through June 30, 2016. Present law shall have full force and effect on July 1, 2016. However, proposed law shall not apply in cases where the secretary of the Dept. of Economic Development has entered into a cooperative endeavor agreement with a business entity for purposes of receiving the rebate incentive authorized under present law, regardless of whether the contract has been approved by the Joint Legislative Committee on the Budget prior to July 1, 2013.

Effective if the proposed amendments of the La. Const. contained in the Joint Resolutions which originated as HB Nos. 434, 435, and 436 of the 2013 R.S. are concurred in by both houses of the legislature and HB Nos. 1, 437, 474, 571, 620, 653, and 696 of this 2013 R.S. are enacted into law.

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

(Amends R.S. 51:1787(A)(3) and (B)(3) and 1791; Adds R.S. 47:6302 and R.S. 51:3116 and 3122)

Summary of Amendments Adopted by House

House Floor Amendments to the original bill.

1. Changes eligibility provisions of the Enterprise Zone Rebate Program.
2. Deletes part-time employees from eligibility for participation in the enterprise zone program.
3. Adds limitation on the participation of certain large retail businesses in the enterprise zone program.
4. Adds effectiveness provisions, including contingencies regarding other legislation.

House Floor Amendments to the engrossed bill.

1. Adds to the requirement that an employee be receiving some form of public assistance for six months prior to employment.
2. Suspends provisions of the Student Tuition Organization rebate program from July 1, 2013 to June 30, 2016, with certain exceptions.
3. Suspends provisions of the Competitive Projects Payroll rebate program from July 1, 2013 to June 30, 2016, with certain exceptions.
4. Suspends provisions of the Corporate Headquarters Relocation rebate program from July 1, 2013 to June 30, 2016, with certain exceptions.