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**HOUSE COMMITTEE AMENDMENTS**

2016 Regular Session

Amendments proposed by House Committee on Ways and Means to Original House Bill No. 783 by Representative Abramson

AMENDMENT NO. 1

On page 1, line 2, after "R.S. 51:2456(B)," and before "relative" insert "2457(A)(1), (B), and (C), and 2461 and to enact R.S. 51:2457(A)(5) and (6), (D), (E), and (F),"

AMENDMENT NO. 2

On page 1, line 3, after "definitions;" and before "and to" insert "to provide relative to sales and use tax rebates; to provide for a project facility expense rebate; to extend the termination date of the program;"

AMENDMENT NO. 3

On page 1, line 6, after "R.S. 51:2456(B)" and before "hereby" delete "is" and insert a comma "," and insert "2457(A)(1), (B), and (C), and 2461 are" and after "reenacted" and before "to" insert "and R.S. 51:2457(A)(5) and (6), (D), (E), and (F) are hereby enacted"

AMENDMENT NO. 4

On page 1, line 10, after "Chapter" and before "shall" insert "and who meets the requirements of R.S. 51:2455(E)"

AMENDMENT NO. 5

On page 2, at the end of line 1, delete "for" and on line 2, delete "capital expenditures"

AMENDMENT NO. 6

On page 2, delete lines 3 through 11 in their entirety and insert the following:

(a)(i) A rebate of sales and use taxes imposed by the state, or any political subdivision as provided for in Item (B)(1)(a)(ii) of this Section, on purchases of materials used in the construction of a building, or any addition or improvement thereon, for housing any legitimate business enterprise and machinery and equipment used in that enterprise.

(ii) When an advance notification to file an application for benefits under this Chapter includes a rebate of sales and use taxes imposed by a political subdivision, including the office of sheriff in the case of a law enforcement district, the department shall notify the appropriate local governing body of receipt of the application. An endorsement resolution or letter of approval shall be submitted by the appropriate local governing body within ninety days of receipt of notification from the department that an advance notification to file an application for benefits under this Chapter has been received. The board shall have the authority to approve or deny a request for the rebate of the state sales and use taxes if a local governing body fails to submit an endorsement resolution, written reasons for denial, or a written request for delay of consideration of the application within the time allowed. In the event that all local sales and use taxes are dedicated and are unavailable to be rebated, no endorsement resolution shall be required of a local governing authority before the board considers its application for benefits under this Chapter.

1 (iii) All requests for a rebate of local sales and use taxes shall be  
2 accompanied by the endorsement resolution or letter of approval from the  
3 appropriate local governing body in whose jurisdiction the establishment is to be  
4 located.

5 (b) A project facility expense rebate equal to one and one-half percent of the  
6 amount of qualified capital expenditures for the facility or facilities designated in the  
7 contract."

8 AMENDMENT NO. 7

9 On page 2, between lines 25 and 26, insert the following:

10 "§2457. Filing claim to receive rebate; determination; repayment

11 A. Payroll rebate.

12 (1) After the end of the fiscal year of an employer for which an employer has  
13 qualified to receive a payroll rebate, the employer shall file an application for the  
14 annual rebate as required in R.S. 51:2456 with the Department of Economic  
15 Development.

16 \* \* \*

17 ~~B. (5)~~ If the actual verified gross payroll for the employer's fiscal year for  
18 which the employer is applying for his third annual rebate does not show a minimum  
19 of five new direct jobs and is not of an amount which equals or exceeds a total of  
20 five hundred thousand dollars, or, where applicable according to R.S. 51:2455(E)(1),  
21 two hundred fifty thousand dollars, the tax liability for the tax period in which the  
22 failure to show such minimum occurs shall be increased by the amount of rebates  
23 previously allowed. If at any other time during the ten-year period when the  
24 employer applies for a rebate at the end of the employer's fiscal year, the actual  
25 verified gross payroll for such fiscal year does not show a minimum of five new  
26 direct jobs and an amount which equals or exceeds a total of five hundred thousand  
27 dollars, or, where applicable according to R.S. 51:2455(E)(1), two hundred fifty  
28 thousand dollars, the rebates shall be suspended and shall not be resumed until such  
29 time as the actual verified gross payroll shows a minimum of five new direct jobs  
30 and an amount which equals or exceeds five hundred thousand dollars or, where  
31 applicable according to R.S. 51:2455(E)(1), two hundred fifty thousand dollars. No  
32 rebate shall accrue or be paid to the employer during a period of suspension.

33 ~~€.~~ (6) An employer that has qualified pursuant to R.S. 51:2455 is eligible to  
34 receive rebates under this Chapter only in accordance with the provisions under  
35 which it initially applied and was approved. If an employer that is receiving rebates  
36 expands, it may apply for additional rebates based on the gross payroll anticipated  
37 from the expansion only, pursuant to R.S. 51:2455.

38 B. Issuance of state sales and use tax rebate.

39 (1) Qualifying purchases of material used in the construction, addition, or  
40 improvement of a building made on or after the effective date of the contract shall  
41 be eligible for the rebate and shall be included in the application for payment of the  
42 rebate of sales and use taxes.

43 (2) Application for the final payment of the rebate of state sales and use  
44 taxes granted pursuant to this Section shall be filed no later than six months after the  
45 Department of Economic Development signs a project completion report and it is  
46 received by the Department of Revenue, the political subdivision, and the business,  
47 or no later than thirty days after the end of the calendar year in the case of customer-

1 owned tooling used in a compression-molding process. The project completion  
 2 report shall not be signed until the project is complete and the contract has been  
 3 approved by the board and the governor.

4 (3) Requests for rebates of state sales and use taxes pursuant to this Section  
 5 shall be 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 of Revenue. A properly completed  
 8 rebate request shall mean a rebate request that is signed and includes the general  
 9 information required on the face of the request, a copy of the executed incentive  
 10 contract, a copy of each invoice over fifteen thousand dollars, and all required  
 11 schedules. The request shall be submitted electronically unless the secretary of the  
 12 Department of Revenue authorizes submission of the request in an alternate form.

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

28 (c) Failure of the Department of Revenue to timely pay rebates as provided  
 29 herein shall entitle the taxpayer to interest, which shall begin to accrue three months  
 30 after the completed rebate request is received at the rate established pursuant to the  
 31 provisions of R.S. 13:4202. Payments of interest authorized according to the  
 32 provisions of this Section shall be made from the current collections of taxes  
 33 collected pursuant to Chapter 2, Chapter 2-A, or Chapter 2-B of Subtitle II of Title  
 34 47 of the Louisiana Revised Statutes of 1950, as amended.

35 C. Issuance of project facility expense rebate.

36 (1) Application for the payment of the project facility expense rebate granted  
 37 pursuant to this Section shall be filed no later than six months after the Department  
 38 of Economic Development signs a project completion report and it is received by the  
 39 Department of Revenue, the political subdivision, and the business. The project  
 40 completion report shall not be signed until the project is complete and the contract  
 41 has been approved by the board and the governor.

42 (2) Requests for the project facility expense rebate pursuant to this Section  
 43 shall be processed by the Department of Revenue as follows:

44 (a) A properly completed project facility expense rebate request shall be  
 45 submitted to the Department of Revenue on forms provided by the Department of  
 46 Revenue. A properly completed project facility expense rebate request shall mean  
 47 a rebate request that is signed and includes the general information required on the  
 48 face of the request, a copy of the executed incentive contract, and a copy all required  
 49 schedules. The request shall be submitted electronically unless the secretary of the  
 50 Department of Revenue authorizes submission of the request in an alternate form.

1           (b) The Department of Revenue shall make the rebate payment from the  
 2 current collections of the taxes collected pursuant to Chapter 2, Chapter 2-A, or  
 3 Chapter 2-B of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, as  
 4 amended.

5           D. Extensions of application filing deadlines.

6           For purposes of filing the application provided for in Subsections (B) and (C)  
 7 of this Section, upon request, the business filing the application shall be granted a  
 8 thirty-day extension of time in which to file its application, provided the request for  
 9 extension is received by the Department of Revenue prior to the expiration of the  
 10 filing period. In addition to the thirty-day extension, the Department of Revenue is  
 11 authorized to grant the business an additional extension of time, not to exceed sixty  
 12 days, in which to file its application, provided that the business provides reasonable  
 13 cause for the granting of the additional extension.

14           E. Issuance Local Sales and Use Tax.

15           (1) Within ninety days from the date that a properly completed rebate request  
 16 submitted by a taxpayer is received by the appropriate local taxing authority, the  
 17 taxing authority shall review the rebate request and issue a rebate to the taxpayer for  
 18 allowed items and shall notify the taxpayer of any disallowed items. For purposes  
 19 of this Subsection, a properly completed rebate request shall mean a rebate request  
 20 that is signed and includes the general information required on the face of the  
 21 request, a copy of each invoice, and all required schedules.

22           (2) A taxpayer requesting reconsideration of any disallowed item shall do so  
 23 within sixty days from receipt of the notification of the disallowed items by  
 24 resubmitting a properly completed rebate request for the disallowed items to the  
 25 taxing authority for reconsideration. The time periods for reconsideration of  
 26 disallowed items in a rebate request shall be the same as the time periods for  
 27 consideration of the initial rebate request.

28           (3) Rebate requests may be submitted electronically with the approval of the  
 29 local taxing authority.

30           (4) Failure by a local taxing authority to timely process and pay a local sales  
 31 and use tax rebate in accordance with the provisions of this Subsection shall entitle  
 32 the taxpayer to interest on the amount of the allowed items contained in the properly  
 33 completed rebate request. Interest shall begin to accrue on the date the properly  
 34 completed rebate request or reconsideration of disallowed items in a properly  
 35 completed rebate request is received by the taxing authority at the rate established  
 36 pursuant to the provisions of R.S. 13:4202.

37           (5) Sales and use taxes imposed by a political subdivision that are dedicated  
 38 to the repayment of bonded indebtedness or dedicated to schools shall not be eligible  
 39 for rebate. All other state and local sales and use taxes shall be eligible for rebate.

40           (6) No governing authority of a political subdivision or sheriff's office shall  
 41 charge any fee or require any employment practice that conflicts with state or federal  
 42 law as a precondition to authorizing tax benefits under this Chapter. The governing  
 43 authority of each political subdivision or sheriff's office shall, after all requirements  
 44 of this Chapter have been met, promptly rebate any sales and use taxes to the entity  
 45 entitled to such rebate.

46           F. Violation of terms of the contract.

47           If a collecting agency receives notice that the rebate, or any part thereof, has  
 48 ceased by reason of a violation of the terms of the contract under which the rebate

1 was granted, then the amount of the rebate for the year in which the violation  
2 occurred and for each year thereafter in which the violation is not remedied shall be  
3 considered a tax due as of December thirty-first of the year in which the violation  
4 occurred, and for each year thereafter in which a rebate is used and the violation is  
5 not remedied, and it shall be collected by the collecting agencies in the same manner  
6 and subject to the same provisions for the collection of other tax debts.

7 \* \* \*

8 §2461. Application deadline

9 On and after ~~January 1, 2018~~ July 1, 2018, no new ~~applications to receive~~  
10 ~~incentive tax credits or rebates~~ advance notifications under this Chapter shall be  
11 ~~approved~~ accepted by the Department of Economic Development. However, an  
12 employer which, prior to ~~January 1, 2018~~ July 1, 2018, has been approved by the  
13 department to receive incentive tax credits or rebates under the program shall  
14 continue to receive tax credits or rebates pursuant to the terms of its agreement with  
15 the state of Louisiana as long as the employer retains its eligibility."