

GREEN SHEET REDIGEST

HB 783

2016 Regular Session

Abramson

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

TAX/TAX REBATES: Relative to the Louisiana Quality Jobs Program

DIGEST

Present law provides for the Quality Jobs Program, which authorizes the granting of contracts by the Board of Commerce and Industry to businesses for the purposes of providing rebates and tax credits for the achievement of certain performance by the business. The term of the contract is five years. Authorizes a rebate equal to the benefit rate as defined in present law multiplied by 80% of the gross payroll of new direct jobs.

Present law entitles employers participating in the Quality Jobs Program to receive the same benefits authorized through the Enterprise Zone Program.

Proposed law replaces the additional benefits in present law that an employer is entitled to receive through the Enterprise Zone Program with the following rebates:

- (1) A sales and use tax rebate for the purchases of materials used in the construction, addition, or improvement of a building used to house the business or its equipment.
- (2) A project facility expense rebate equal to 1.5% of the qualified capital expenditures for the facility.

Proposed law defines "qualified capital expenditures" as capital expenditures for federal income tax purposes related to the project plus exclusions from certain capitalizations as provided for in the Internal Revenue Code, minus certain capitalized costs for land, interest, and machinery.

Proposed law requires the appropriate local governing authority approve a rebate of local sales and use taxes as provided for in proposed law. Further requires the request for a rebate of local sales and use tax be accompanied by the approval.

Proposed law requires the application for final payment of either the sales and use tax rebate or the project facility expense rebate to be filed no later than six months after a project completion report has been signed and received by the Dept. of Revenue (DOR), the political subdivision, and the business or, no later than 30 days after the end of the calendar year for certain businesses involved in the compression-molding process when the application is for final payment of the sales and use tax rebate.

Proposed law requires a properly completed rebate request to be submitted for requests for the rebate of either the sales and use tax or the project facility expense and requires the requests to be submitted electronically unless the secretary has authorized an alternate method.

Proposed law requires payment of 80% of the sales and use tax rebate within 10 days of receipt of the request. Further requires the DOR to audit the rebate requests for sales and use taxes and authorizes the DOR to withhold from the remaining 20% of the rebate any amounts determined through the audit to be ineligible for rebate.

Proposed law authorizes payments of interest to a taxpayer who has requested a sales and use tax rebate pursuant to the provisions of proposed law when the DOR fails to timely pay the rebate.

Proposed law requires the DOR, upon request of the business, to grant a 30 day extension of time within which a business has to file an application. Further authorizes the DOR to grant an additional 60 day extension for reasonable cause.

Proposed law authorizes a local taxing authority to review a rebate request for local sales and use taxes and issue or disallow a rebate within 90 days of receipt by the local taxing authority of a properly completed rebate request. Further authorizes a taxpayer to request reconsideration of any disallowed items, but requires the taxpayer to do so within 60 days of receipt of the notice that items have been disallowed.

Proposed law authorizes payments of interest to a taxpayer who has requested a local sales and use tax rebate pursuant to the provisions of proposed law when the local governing authority fails to timely pay the rebate.

Proposed law provides for collection of rebates issued when there has been a violation of the terms of the contract providing for the rebate.

Proposed law extends the termination date of the program from January 1, 2018 to July 1, 2018.

(Amends R.S. 51:2456(B), 2457(A)(1), (B), and (C), and 2461; adds R.S. 51:2457(A)(5) and (6), (D), (E), and (F))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Require the appropriate local governing authority to approve via endorsement resolution or letter of approval any applications for a rebate of local sales and use tax pursuant to the provisions of proposed law and require the approval accompany the request for the rebate of the local sales and use tax.
2. Require applications for either the sales and use tax rebate or the project facility expense rebate to be filed no later than six months after a project completion report has been signed. For sales and use tax rebates, provide an alternate application deadline of 30 days after the end of the calendar year for certain businesses involved in a compression-molding process.
3. Require properly completed requests for either the sales and use tax rebate or the project facility expense rebate to be submitted electronically to the DOR, unless the secretary has authorized an alternate method of submission.
4. Require the DOR to rebate 80% of the rebate requested within 10 days of receiving the request. Further requires the DOR to audit the rebate request within three months of receiving the rebate request and authorizes the DOR to withhold from the remaining 20% rebate any amounts disallowed as a result of the audit.
5. Authorize interest payments when the DOR fails to timely pay a rebate.
6. Require a 30-day extension of time to file an application be granted by the DOR at the applicant's request. Further authorize the DOR to grant an additional 60-day extension when the applicant is able to show reasonable cause.
7. Require a local governing authority to review a request for local sales and use tax rebate and to issue a rebate or notify the taxpayer of disallowed items within 90 days of receipt of the properly completed rebate request and provide the procedure for requesting reconsideration of any disallowed item.
8. Authorize interest payments by the local governing authority when it fails to timely pay a rebate of local sales and use tax.

9. Provide for collection of any amount of a rebate issued when the terms of the contract providing for the rebate is violated.
10. Extend the termination date of the program from January 1, 2018 to July 1, 2018.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs
to the reengrossed bill

1. Makes technical changes.