

## RÉSUMÉ DIGEST

ACT 730 (HB 827)

2024 Regular Session

Turner

Existing law provides that certain winning bidders in the Federal Communications Commission's Rural Digital Opportunity Fund Auction are eligible for a rebate of state and local sales and use taxes paid by those bidders on fiber-optic cable equipment used to distribute fixed and mobile broadband networks to eligible rural unserved areas in La. Establishes that the amount of the rebate is 50% of the sales and use tax paid by the bidder on fiber-optic cable equipment.

New law institutes the terms "approved data center facility", "data center", "data center facility", and "data center equipment" and defines those terms for purposes of new law.

New law authorizes a state and local sales and use tax rebate for all of the following for entities certified by the Dept. of Economic Development, in accordance with new law, as approved data center facilities:

- (1) Sales and use tax paid on purchases of eligible data center equipment.
- (2) Sales and use tax paid on expenditures for development, acquisition, construction, lease, repair, refurbishment, expansion, and renovation of a qualified data center.

New law provides that the rebate established therein shall apply exclusively to qualifying purchases made on or after July 1, 2024.

New law stipulates that in order to be certified as an approved data center by the Dept. of Economic Development, the data center facility operator shall provide a sworn attestation that the project will create a minimum of 50 new direct, permanent jobs in La. and intends to expend at least \$200,000,000 in new capital investment in La. on or after July 1, 2024, and before July 1, 2029.

New law requires that each approved data center be issued a direct payment number in accordance with applicable provisions of existing law, thereby allowing those entities to remit sales tax on purchases directly to the state and to political subdivisions.

New law requires facilities that have been certified as approved data center facilities to enter into agreements with the Dept. of Economic Development that comport with the following requirements:

- (1) The agreement provides a term of rebate eligibility, with an initial term of 20 years.
- (2) The agreement contains a list of all eligible recipients of the rebate.
- (3) The agreement contains language that authorizes the state to terminate the agreement and recapture any rebates if the data center facility fails to fulfill, or the Dept. of Economic Development determines that the facility will be unable to fulfill, its statutory and contractual obligations.

New law provides that upon the expiration of the initial term of rebate eligibility, the Dept. of Economic Development may renew the agreement for an additional ten years.

New law authorizes the Dept. of Economic Development to include in agreements with approved data center facilities any additional conditions it deems appropriate.

New law authorizes the Dept. of Revenue to utilize any collection remedy allowed by existing law for any rebates subject to recapture based on termination of the agreement with the Dept. of Economic Development or a determination that a purchase did not qualify for a rebate. Requires that if a rebate is subject to recapture, the approved data center facility shall reimburse the Dept. of Revenue or its agent for any costs incurred.

New law requires the Dept. of Revenue and the La. Uniform Local Sales Tax Board to promulgate rules for administering, respectively, the state tax rebate and the local tax rebate provided for in new law.

Effective July 1, 2024.

(Amends R.S. 47:305.73; Adds R.S. 47:303.1(B)(5))