

Regular Session, 2012

HOUSE BILL NO. 382

BY REPRESENTATIVE ABRAMSON

TAX/TAX REBATES: Establishes the BioDistrict New Orleans Tax Rebate Program in Jefferson and Orleans parishes

1 AN ACT

2 To enact Chapter 3 of Subtitle VII of Title 47 of the Louisiana Revised Statutes of 1950, to
3 be comprised of R.S. 47:6301, relative to sales and use tax rebates; to establish the
4 BioDistrict New Orleans Tax Rebate program; to provide for a state and local sales
5 and use tax rebate program in Jefferson and Orleans parishes; to provide for certain
6 eligibility requirements and limitations; to authorize the payment of such rebates; to
7 provide for the administration of the program; to provide for an effective date; and
8 to provide for related matters.

9 Notice of intention to introduce this Act has been published
10 as provided by Article III, Section 13 of the Constitution of
11 Louisiana.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. Chapter 3 of Subtitle VII of Title 47 of the Louisiana Revised Statutes
14 of 1950, comprised of R.S. 47:6301, is hereby enacted to read as follows:

15 CHAPTER 3. BIODISTRICT NEW ORLEANS TAX REBATE PROGRAM

16 §6301. BioDistrict New Orleans Tax Rebate Program; Jefferson and Orleans
17 parishes; eligibility; limitations; payment of rebates; administration

18 A. This Chapter shall be known as the "BioDistrict New Orleans Tax Rebate
19 Program Act".

1 B.(1) Purpose. In 2005, the legislature created the Greater New Orleans
2 Biosciences Economic Development District in order to promote development of the
3 medical and bioscience industries in the New Orleans area, and in 2011, the name
4 of the district was changed to BioDistrict New Orleans. In 2004, the New Orleans
5 medical and biosciences efforts employed approximately twenty-four thousand
6 persons with average salaries well above the state average. The district receives
7 considerable federal bioscience research funding. The district was created for the
8 purpose of facilitating the creation of high paying jobs by assisting the biomedical
9 institutions and employees in the district with development of bioscience facilities
10 and programs, assisting with increasing research and training dollars for institutions
11 within the district, increasing basic and clinical research, and the development of a
12 health and bioscience workforce.

13 (2) The legislature hereby finds and declares that the welfare of the people
14 of Orleans and Jefferson parishes is dependent upon the continued encouragement,
15 development, growth, and expansion of the medical and bioscience industries in the
16 region. The legislature further finds and declares that it is the purpose of this
17 Chapter to not only stimulate business and industrial growth in the medical and
18 bioscience industries in Orleans Parish, but to encourage and promote employees of
19 these industries to purchase, renovate, refurbish, or construct single-family
20 residences on vacant, abandoned, or blighted lots or properties in Orleans or
21 Jefferson parishes for use as their homesteads. One of the lingering, devastating
22 effects of Hurricane Katrina in Orleans Parish is the increased number of vacant,
23 abandoned, blighted, or destroyed homes and property. Since Orleans and Jefferson
24 parishes are so closely connected and many residents in Orleans and Jefferson
25 parishes shop and frequent retail businesses in both parishes, the legislature hereby
26 establishes this sales and use tax rebate program in Jefferson and Orleans parishes
27 as a way of forming a regional partnership between these parishes by authorizing
28 certain purchases of tangible personal property and services necessary to purchase,
29 renovate, refurbish, or construct single-family residences on vacant, abandoned, or

1 blighted lots or properties in Jefferson and Orleans parishes and return those
2 properties to commerce.

3 C. Tax rebate. (1) In accordance with the provisions of this Section, the
4 sales and use tax imposed by the state and imposed by any political subdivision
5 within Jefferson and Orleans parishes on the following transactions for items of
6 tangible personal property or services shall be eligible for a rebate:

7 (a) Purchases in Jefferson and Orleans parishes of materials used to
8 purchase, renovate, refurbish, or construct single-family residences on vacant,
9 abandoned, or blighted lots or properties located within Orleans Parish intended to
10 house any legitimate employee of a hospital, medical, or bioscience facility located
11 with the boundaries of the BioDistrict New Orleans, hereinafter referred to as
12 "employee".

13 (b) Purchases in Jefferson and Orleans parishes of materials or items of
14 tangible personal property to furnish or decorate the employee's home which shall
15 be located in Orleans Parish.

16 (c) Sales of services in Jefferson and Orleans parishes, including but not
17 limited to the cleaning and renovation of furniture, carpet, and rugs, and the
18 furnishing of repairs to tangible personal property, including but not limited to the
19 repair and servicing of electrical and mechanical appliances and equipment.

20 (2)(a) Eligibility for the state and local sales and use tax rebates authorized
21 in this Section shall be limited to purchases of items of tangible personal property
22 and sales of services, hereinafter collectively referred to as "purchases", by an
23 employee who intends to purchase, renovate, refurbish, or construct single-family
24 residences on vacant, abandoned, or blighted lots or properties located within
25 Orleans Parish for housing for the employee or the employee's family and for which
26 the employee claims the homestead exemption. The employee shall only be eligible
27 for purchases made during the employees's first thirty-six months of employment
28 with a hospital, medical, or bioscience facility located within the boundaries of
29 BioDistrict New Orleans.

1 (b) The state and local sales and use tax rebates authorized pursuant to this
2 Section may also apply to purchases by an employee who intends to purchase,
3 renovate, refurbish, or construct single-family residences on vacant, abandoned, or
4 blighted lots or properties located within Jefferson Parish for housing for the
5 employee of a facility located within a subdistrict of BioDistrict New Orleans or the
6 employee's family and for which the employee claims the homestead exemption.
7 The employee shall only be eligible for purchases made during the employees's first
8 thirty-six months of employment with a hospital, medical, or bioscience facility
9 located within any subdistrict of BioDistrict New Orleans which is created in
10 accordance with the provisions of R.S. 33:9039.68 and located in Jefferson Parish.

11 D. Rebate Application and Administration. (1) Requests for the payment
12 of a rebate shall be filed no later than six months from the date of purchase.
13 Requests for a rebate of state sales and use taxes on eligible purchases shall be
14 submitted to the Department of Revenue, and requests for a rebate of local sales and
15 use taxes shall be submitted to the governing authorities of Jefferson and Orleans
16 parishes. The amount to be rebated shall in no case be greater than the amount of the
17 total sales and use taxes paid.

18 (2) Requests for rebates of state sales and use taxes shall be administered by
19 the Department of Revenue as follows:

20 (a) The secretary of the Department of Revenue shall develop and publish
21 a form to be used for the mailing of a request for a state rebate. An employee who
22 applies for a rebate of state tax shall submit a properly completed rebate request to
23 the Department of Revenue on forms provided by the department. For purposes of
24 this Paragraph, a properly completed rebate request shall mean a rebate request that
25 includes the general information required on the face of the request, is signed by the
26 applicant, and shall include a copy of all original receipts and invoices of purchases
27 eligible for the rebate. All rebate requests shall also include official documentation
28 from the applicant's employer certifying the beginning date and current status of the
29 applicant's employment with a hospital, medical, or bioscience facility located within

1 the boundaries of BioDistrict New Orleans or any subdistrict of the BioDistrict New
2 Orleans located in Jefferson Parish. The request shall be submitted electronically
3 unless the secretary of the Department of Revenue authorizes the submission by
4 other means.

5 (b) Within ten business days of the receipt of a properly completed rebate
6 request, the Department of Revenue shall pay a rebate in an amount equal to eighty
7 percent of the total amount claimed for rebate in the applicant's rebate request.
8 Within three months of the date of receipt of the rebate request, the Department of
9 Revenue shall audit the rebate request. During such three-month period, the
10 Department of Revenue shall disallow purchases determined to be ineligible for
11 rebate. Within ten business days following the expiration of such three-month
12 period, the Department of Revenue shall pay a rebate in an amount equal to the
13 remaining twenty percent of the amount claimed on the rebate request less any
14 amounts properly disallowed during the audit period. The Department of Revenue
15 shall pay such rebates from the current collections of the taxes collected pursuant to
16 Chapter 2, Chapter 2-A, or Chapter 2-B of Subtitle II of Title 47 of the Louisiana
17 Revised Statutes of 1950, as amended. Any state tax rebate issued shall be subject
18 to subsequent audit by the Department of Revenue, and any rebate amount
19 determined to be in excess of that which should have been allowed shall be subject
20 to collection by the department.

21 (c) Failure of the Department of Revenue to timely pay rebates as provided
22 herein shall entitle the applicant to interest, which shall begin to accrue three months
23 after the completed rebate request is submitted and shall be paid at the rate
24 established pursuant to the provisions of R.S. 13:4202. Payments of such interest
25 shall be made from the current collections of taxes collected pursuant to Chapter 2,
26 Chapter 2-A, or Chapter 2-B of Subtitle II of Title 47 of the Louisiana Revised
27 Statutes of 1950, as amended.

28 (3) Requests for local sales and use tax rebates shall be administered by the
29 governing authorities of Jefferson and Orleans parishes as provided in this

1 Paragraph. The governing authorities shall develop and publish a form to be used
2 for the making of a request for a rebate of local taxes.

3 (a) Within ninety days from the date that an applicant submits a properly
4 completed rebate request to the appropriate local taxing authority, the taxing
5 authority shall review the rebate request and shall pay a rebate to the applicant for
6 taxes paid on eligible purchases and shall notify the applicant of any disallowed
7 purchases for which no rebate was paid. For purposes of this Paragraph, a properly
8 completed rebate request shall mean a rebate request that includes the general
9 information required on the face of the request, is signed by the applicant, and shall
10 include a copy of all original receipts and invoices of purchases eligible for the
11 rebate. All rebate requests shall also include official documentation from the
12 applicant's employer certifying the beginning date and current status of the
13 applicant's employment with a hospital, medical, or bioscience facility located within
14 the boundaries of BioDistrict New Orleans or any subdistrict of BioDistrict New
15 Orleans located in Jefferson Parish. Within sixty days from receipt of the notification
16 of disallowed purchases, the applicant may resubmit a properly completed rebate
17 request for disallowed purchases for reconsideration by the taxing authority. The
18 time periods for reconsideration of disallowed purchases in a rebate request shall be
19 the same as the time periods for consideration of the initial rebate request. Rebate
20 requests may be submitted electronically as may be determined by the respective
21 local taxing authority.

22 (b) Failure by the appropriate taxing authority to timely process and pay a
23 local tax rebate shall entitle the applicant to interest on the total amount of the
24 allowed purchases contained in a properly completed rebate request. Interest shall
25 begin to accrue on the date the properly completed rebate request or request for
26 reconsideration of disallowed purchases is received by the taxing authority and shall
27 be paid at the rate established pursuant to the provisions of R.S. 13:4202.

1 E. Neither the state nor the governing authorities of Jefferson or Orleans
2 parishes shall charge a fee as a precondition to authorizing the rebate provided for
3 in this Section.

4 F. Any sales and use taxes imposed by a political subdivision which are
5 dedicated to the repayment of bonded indebtedness or dedicated to schools shall not
6 be eligible for rebate. All other state and local sales and use taxes shall be eligible
7 for rebate.

8 G. The provisions of this Section shall be applicable to all eligible purchases
9 made after July 1, 2012.

10 Section 2. This Act shall become effective on July 1, 2012, and shall be applicable
11 to all eligible purchases made on or after July 1, 2012.

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)]

Abramson

HB No. 382

Abstract: Establishes the BioDistrict New Orleans Tax Rebate Program in Jefferson and Orleans parishes for the rebate of state and local sales and use taxes collected on certain items of tangible personal property and services.

Proposed law establishes the BioDistrict New Orleans Tax Rebate Program which provides that the sales and use tax imposed by the state and by any political subdivision within Jefferson and Orleans parishes on the following purchases of items of tangible personal property and services shall be eligible for a rebate:

- (1) Purchases in Jefferson and Orleans parishes of materials used to purchase, renovate, refurbish, or construct single-family residences on vacant, abandoned, or blighted lots or properties located within Orleans Parish.
- (2) Purchases in Jefferson and Orleans parishes of materials or items of tangible personal property intended to furnish or decorate a home located in Orleans Parish.
- (3) Sales of services in Jefferson and Orleans parishes, including the cleaning and renovation of furniture, carpet, and rugs and the furnishing of repairs to items such as the repair and servicing of electrical and mechanical appliances and equipment.

Proposed law provides that in order to be eligible for the sales and use tax rebates authorized by proposed law, purchases of items and sales of services, hereinafter collectively called "purchases", shall be made by a legitimate employee of a hospital, medical, or bioscience facility located within the boundaries of BioDistrict New Orleans (BDNO) and the purchases shall be intended for a home located within Orleans Parish which is intended to house the employee or the employee's family and for which the employee claims the homestead

exemption. An employee shall only be eligible for purchases made during the employees's first 36 months of employment with a facility located within the boundaries of BDNO.

Proposed law extends the eligibility requirement provided for in proposed law to purchases by an employee intended to purchase, renovate, refurbish, or construct single-family residences on vacant, abandoned, or blighted lots or properties located within Jefferson parish which is intended to house the employee of a facility located within a subdistrict of BDNO or the employee's family, and for which the employee claims the homestead exemption. The employee shall only be eligible for purchases during the employees's first 36 months of employment with a hospital, medical, or bioscience facility located within any subdistrict of BDNO, created in accordance with the provisions of present law which is located in Jefferson Parish.

Proposed law requires that rebate applications be filed no later than six months from the date the purchase is made. Further requires that rebate requests for state taxes be submitted to the Dept. of Revenue (DOR) and rebate requests for local sales and use taxes be submitted to the appropriate taxing authorities of Jefferson and Orleans parishes.

Proposed law requires that all rebate requests include official documentation from the applicant's employer certifying the beginning date and current status of the applicant's employment with a facility located within the boundaries of BDNO or a subdistrict of BDNO located within Jefferson parish. Requires, within 10 business days of the receipt of a properly completed rebate request, DOR to pay a rebate equal to 80% of the total amount claimed for rebate and within three months of the date of filing the rebate request, DOR shall audit the rebate request. During the three-month period, DOR shall disallow purchases ineligible for rebate. Within 10 business days following the expiration of such three-month period, DOR shall pay a rebate equal to the remaining 20% of the amount claimed on the rebate request less any amounts properly disallowed during the audit period. Failure of DOR to timely pay rebates shall entitle the applicant to interest, which shall begin to accrue three months after the completed request is received by DOR.

Proposed law requires DOR to pay rebate amounts from the current collections of sales and use taxes collected pursuant to present law.

Proposed law requires rebate requests for local sales and use taxes to be processed by the governing authorities of Jefferson and Orleans parishes. Within 90 days from the date a properly completed rebate request is received by the appropriate authority, the rebate request shall be reviewed, and the authority shall pay a rebate in the amount requested for allowed purchases. The authority shall notify the applicant of any disallowed purchases. Within 60 days from receipt of the notification of disallowed purchases, the applicant may resubmit a properly completed rebate request for disallowed purchases for reconsideration. Failure by the local taxing authority to timely process and pay a local tax rebate shall entitle the applicant to interest on the amount of the allowed purchases contained in the properly completed rebate request.

Proposed law prohibits the state and the governing authorities of Jefferson or Orleans parishes from charging a fee as a precondition to authorizing the rebate.

Proposed law prohibits sales and use taxes imposed by a political subdivision dedicated to the repayment of bonded indebtedness or dedicated to schools from being eligible for rebate.

Effective July 1, 2012, and applicable for all eligible purchases made on or after July 1, 2012.

(Adds R.S. 47:6301)