Regular Session, 2013

SENATE BILL NO. 163

BY SENATOR MARTINY

TAX/TAXATION. Provides for tax credit against corporate income and franchise taxes based on the increase in visitors resulting from certain activities undertaken by businesses seeking the credit. (8/1/13)

1   AN ACT

2   To enact Chapter 5 of Subtitle VII of Title 47 of the Louisiana Revised Statutes of 1950, to

3   be comprised of R.S. 47:650, relative to tax credits; authorizes contracts to provide

4   tax credits for incrementally increasing the number of visitors to the state; and to

5   provide for related matters.

6   Be it enacted by the Legislature of Louisiana:

7   Section 1. Chapter 5 of Subtitle VII of Title 47 of the Louisiana Revised Statutes of

8   1950, to be comprised of R.S. 47:650, is hereby enacted to read as follows:

9   **CHAPTER 5. TOURISM-BASED ECONOMIC DEVELOPMENT PROGRAM**

10   **§650. Tourism-based Economic Development Program**

11   **A.   Purpose.   The legislature hereby recognizes the importance of**

12   **tourism as an economic driver, generating tax revenue and creating jobs in the**

13   **state, and hereby provides an incentive to incrementally increase the number**

14   **of visitors to the state.**

15   **B.   Contracts. The secretary of the Department of Economic**

16   **Development is authorized to enter into contracts with businesses agreeing to**

17   **undertake activities to incrementally increase the number of visitors to the state**

1   **by at least one hundred thousand per year. The contract shall provide an**

2   **incentive to the business based upon the actual number of the incremental**

3   **increase in visitors, as certified by the secretary of the Department of Economic**

4   **Development.**

5   **C. Incentive payments. The incentive shall be paid in the form of a**

6   **refundable tax credit against corporate income and corporate franchise taxes.**

7   **Any excess of allowable credit provided by this Section over the tax liabilities**

8   **against which such credit may be applied shall constitute an overpayment as**

9   **defined in R.S. 47:1621(A), and the secretary of the Department of Revenue**

10   **shall make a refund of such overpayment from the current collections of taxes**

11   **imposed under this Title.**

12   **D. Rules. The Department of Economic Development may promulgate**

13   **rules in accordance with the Administrative Procedure Act to establish business**

14   **eligibility and project qualifications for this program, and any other matter**

15   **necessary to carry out the purposes of this Section.**

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Angela L. De Jean.

DIGEST

<u>Proposed law</u> provides that the legislature hereby recognizes the importance of tourism as an economic driver, generating tax revenue and creating jobs in the state, and hereby provides an incentive to incrementally increase the number of visitors to the state.

<u>Proposed law</u> provides that the secretary of the DED is authorized to enter into contracts with businesses agreeing to undertake activities to incrementally increase the number of visitors to the state by at least 100,000 per year.

<u>Proposed law</u> provides that the contract shall provide an incentive to the business based upon the actual number of the incremental increase in visitors, as certified by the secretary of the DED.

<u>Proposed law</u> provides that the incentive shall be paid in the form of a refundable tax credit against corporate income and corporate franchise taxes. Any excess of allowable credit provided by <u>proposed law</u> over the tax liabilities against which such credit may be applied shall constitute an overpayment as defined in <u>present law</u>, and the secretary of the DOR shall make a refund of such overpayment from the current collections of taxes imposed under <u>proposed law</u>.

<u>Proposed law</u> provides that the DED may promulgate rules in accordance with the APA to establish business eligibility and project qualifications for this program, and any other matter necessary to carry out the purposes of <u>proposed law</u>.

Coding: Words which are ~~struck through~~ are deletions from existing law;
words in **boldface type and underscored** are additions.

Effective August 1, 2013.

(Adds R.S. 47:650)