

Regular Session, 2008  
HOUSE BILL NO. 416

# ACT No. 720

BY REPRESENTATIVE ELLINGTON

1 AN ACT

2 To enact R.S. 51:1787(A)(1)(a)(iii), (iv), and (v), relative to the rebate of sales and use  
3 taxes; to require the timely payment of sales and use tax rebates; to authorize  
4 reconsideration of certain items; to require the payment of interest under certain  
5 circumstances; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 51:1787(A)(1)(a)(iii) is hereby enacted to read as follows:

8 §1787. Incentives

9 A. The board, after consultation with the secretaries of the Department of  
10 Economic Development and Department of Revenue, and with the approval of the  
11 governor, may enter into contracts not to exceed five years to provide:

12 (1) For either:

13 (a)(i) The rebate of sales and use tax imposed by the state and imposed by  
14 its political subdivisions upon approval of the governing authority of the appropriate  
15 municipality or the appropriate parish where applicable, or both, and of the  
16 governing authority of any other political subdivision, including the office of sheriff  
17 in the case of a law enforcement district, for the following:

18 \* \* \*

19 (iii) Sales and use taxes imposed by a political subdivision which are  
20 dedicated to the repayment of bonded indebtedness or dedicated to schools shall not  
21 be eligible for rebate. All other state and local sales and use taxes shall be eligible  
22 for rebate.

23 \* \* \*

1 Section 2. R.S. 51:1787(A)(1)(a)(iv) and (v) are hereby enacted to read as follows:

2 §1787. Incentives

3 A. The board, after consultation with the secretaries of the Department of  
4 Economic Development and Department of Revenue, and with the approval of the  
5 governor, may enter into contracts not to exceed five years to provide:

6 (1) For either:

7 (a)(i) The rebate of sales and use tax imposed by the state and imposed by  
8 its political subdivisions upon approval of the governing authority of the appropriate  
9 municipality or the appropriate parish where applicable, or both, and of the  
10 governing authority of any other political subdivision, including the office of sheriff  
11 in the case of a law enforcement district, for the following:

12 \* \* \*

13 (iv) Requests for rebates of state sales and use tax pursuant to this Section  
14 and R.S. 51:2456(B) shall be processed by the Department of Revenue as follows:

15 (aa) A properly completed rebate request shall be submitted to the  
16 Department of Revenue on forms provided by the Department of Revenue. For  
17 purposes of this Section, a properly completed rebate request shall mean a rebate  
18 request that includes the general information required on the face of the request, is  
19 signed and includes a copy of the executed incentive contract, a copy of each invoice  
20 over fifteen thousand dollars, and all required schedules. The request shall be  
21 submitted electronically unless the secretary of the Department of Revenue grants  
22 permission to submit the request in an alternate form.

23 (bb) Within ten business days of the receipt of a properly completed rebate  
24 request, the Department of Revenue shall rebate eighty percent of the total amount  
25 claimed for rebate in the rebate request. Within three months of the date of filing the  
26 rebate request, the Department of Revenue shall audit the rebate request. During  
27 such three-month period, the Department of Revenue shall disallow items  
28 determined to be ineligible for rebate. Within ten business days following the  
29 expiration of such three-month period, the Department of Revenue shall rebate the  
30 remaining twenty percent of the amount claimed on the rebate request less any

1            amounts properly disallowed during the three-month audit period. The Department  
2            of Revenue shall make such rebates from the current collections of the taxes  
3            collected pursuant to Chapter 2, Chapter 2-A, or Chapter 2-B of Subtitle II of Title  
4            47 of the Louisiana Revised Statutes of 1950, as amended. Any sales and use tax  
5            rebate issued shall be subject to subsequent audit by the Department of Revenue, and  
6            any rebate amount determined to be in excess of that which should have been  
7            allowed shall be subject to collection by the Department of Revenue.

8            (cc) Failure of the Department of Revenue to timely pay rebates as provided  
9            herein shall entitle the taxpayer to interest, which shall begin to accrue three months  
10           after the completed rebate request is received at the rate established pursuant to the  
11           provisions of R.S. 13:4202. Payments of interest authorized according to the  
12           provisions of this Section shall be made from the current collections of taxes  
13           collected pursuant to Chapter 2, Chapter 2-A, or Chapter 2-B of Subtitle II of Title  
14           47 of the Louisiana Revised Statutes of 1950, as amended.

15           (v) Requests for local sales and use tax rebates authorized pursuant to the  
16           provisions of this Section and R.S. 51:2456(B) shall be processed in accordance with  
17           the provisions of this Item. Within ninety days from the date that a properly  
18           completed rebate request submitted by a taxpayer is received by the appropriate local  
19           taxing authority, the taxing authority shall review the rebate request and issue a  
20           rebate check to the taxpayer for allowed items and shall notify the taxpayer of any  
21           disallowed items. For purposes of this Item, a properly completed rebate request  
22           shall mean a rebate request that includes the general information required on the face  
23           of the request, is signed, and includes a copy of each invoice and all required  
24           schedules. Within sixty days from receipt of the notification of disallowed items, the  
25           taxpayer shall resubmit a properly completed rebate request for disallowed items to  
26           the taxing authority for reconsideration. The time periods for reconsideration of  
27           disallowed items in a rebate request shall be the same as the time periods for  
28           consideration of the initial rebate request. Rebate requests may be submitted  
29           electronically with the approval of the local taxing authority. Failure by a local  
30           taxing authority to timely process and pay a local sales and use tax rebate in

