
DIGEST

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HB 713 Original

2015 Regular Session

Terry Landry

Abstract: Reduces the amount of certain income and corporate franchise tax credits by 20%.

Present law (R.S. 47:287.748) provides for an income tax credit against the corporate income tax liability for taxpayers who employ an eligible Intensive Incarceration Program re-entrant. The credit allowed is \$150 per eligible re-entrant employed, but shall not exceed 50% of the corporate income tax.

Proposed law retains present law but reduces the credit from \$150 per eligible re-entrant to \$120 per eligible re-entrant and decreases the maximum allowable credit from 50% of the corporate income tax to 40% of the corporate income tax.

Present law (R.S. 287.749) provides for an income tax credit to be used against the tax liability of corporate income taxpayers who generate new full-time and part-time jobs in the state. This tax credit is allowed in lieu of any tax exemptions granted pursuant to the Louisiana Enterprise Zone Act, any ad valorem property tax exemptions for business or industry, or any ad valorem tax exemption allowed through the State Board of Commerce and Industry pursuant to La. Const. Art. VII, Sec. 21(F). The credit is a portion of the state income tax not to exceed 50% and is determined by the number of new employees multiplied by varying amounts.

Proposed law retains present law but decreases from 50% to 40% the portion of the state corporate income tax that the credit shall not exceed and the eligible amount per employee as follows:

- (1) From \$100 to \$80 per eligible new employee per taxable year.
- (2) From \$200 to \$160 per eligible new economically disadvantaged employee per taxable year.
- (3) From \$250 to \$180 per new employee who is a resident of a neighborhood with an employment rate of 10% or more per taxable year.

Present law (R.S. 47:287.752) provides for an income tax credit for each taxpayer who provides full-time employment to an individual who has been convicted of a first-time nonviolent offense. Requires certification by the employee's probation officer that the employee has successfully completed a drug treatment program, or any other court-ordered program, and that the employee has worked one hundred eighty days full-time for the employer seeking the credit. The credit allowed is \$200 per eligible employee per taxable year.

Proposed law retains present law but reduces the amount of the credit from \$200 per eligible employee to \$160 per eligible employee.

Present law (R.S. 47:287.753) provides for an income tax credit against the state corporate income tax liability for any business firm engaged in certain activities of providing neighborhood assistance, job training, education for individuals, community services, or crime prevention in the state. Present law requires the business firm to submit a proposal with certain information relative to the project for approval by the commissioner of administration. A tax credit of up to 70% of the actual amount contributed is authorized, but the tax credit for any corporation shall not exceed \$250,000 annually.

Proposed law retains present law but reduces the amount of the credit from 70% to 56% and decreases the maximum tax credit amount from \$250,000 to \$200,000.

Present law (R.S. 47:287.755) provides for an income tax credit against a taxpayer's tax liability for contributions, donations, or selling below cost tangible movable property to a public educational institution for the purposes of research, research training, or direct education of students in the state. The credit allowed is computed at the rate of 40% of the property's value, or in the case of sale below cost, 40% of the difference between the price received and the value of the property.

Proposed law retains present law but reduces the allowable credit rates from 40% to 32% of either the property value or the difference between the price received and the value of the property.

Present law (R.S. 47:287.758) provides an income tax credit for taxpayers for certain bone marrow donor expenses. The amount of the credit is 25% of the bone marrow donor expenses incurred during the tax year by an employer to provide the program.

Proposed law retains present law but reduces the amount of the credit from 25% to 20%.

Present law (R.S. 47:6104) provides for an individual income tax credit for child care expenses based on the quality rating of the child care facility which the child attends. The amount of the credit is a percentage of a credit provided for in present law and varies depending on the quality rating of the child care facility.

Proposed law retains present law but reduces the amount of the credits as follows:

- (1) From 200% to 160% for 5 star facilities.
- (2) From 150% to 120% for 4 star facilities.
- (3) From 100% to 80% for 3 star facilities.
- (4) From 50% to 40% for 2 star facilities.

Present law (R.S. 47:6105) provides for a refundable income or corporation franchise tax credit for child care providers. The amount of the credit is equal to an amount based upon the average monthly number of children who either participate in the Child Care Assistance Program or who are foster children and who are attending a child care facility operated by the child care provider, multiplied by an amount that is based upon the quality rating of each child care facility operated by the child care.

Proposed law retains present law but reduces the credits as follows:

- (1) From \$1,500 per eligible child to \$1,200 for 5 star facilities.
- (2) From \$1,250 per eligible child to \$1,000 for 4 star facilities.
- (3) From \$1,000 per eligible child to \$800 for 3 star facilities.
- (4) From \$750 per eligible child to \$600 for 2 star facilities.

Present law (R.S. 47:6106) provides for a refundable individual income tax credit for eligible child care directors and eligible child care staff. The amount of the credit varies based upon the qualifications of the provider.

Proposed law retains present law but reduces the credits as follows:

- (1) From \$3,000 to \$2,400 for Level 4 Director or Staff.
- (2) From \$2,500 to \$2,000 for Level 3 Director or Staff.
- (3) From \$2,000 to \$1,600 for Level 2 Director or Staff.
- (4) From \$1,500 to \$1,200 for Level 1 Director or Staff.

Effective July 1, 2015.

(Amends R.S. 47:287.748(B)(1), 287.749(B)(1), 287.752(B)(1)(introductory paragraph), 287.753(C), 287.755(C), 287.758(B), 6104(A), 6105, and 6106(A))

