

SENATE BILL NO. 79

BY SENATORS LUNEAU AND BARROW

1 AN ACT

2 To amend and reenact R.S. 47:227, 287.759(A), 297(B) and (G)(2), 297.6(A)(1)(a),
3 6005(C)(1), 6013(A), 6020(D)(2)(a), 6034(C)(1)(a)(iii)(bb)(introductory paragraph),
4 and (d)(ii), and 6037(B)(2)(b)(i) and (ii) and (c) all as amended by Section 2 of Act
5 No. 125 of the 2015 Regular Session, R.S. 47:6022(D)(3)(introductory paragraph),
6 and R.S. 51:2354(B)(introductory paragraph) and 2399.3(A)(2)(b)(introductory
7 paragraph) both as amended by Section 3 of Act No. 125 of the 2015 Regular
8 Session, R.S. 51:2354(C) and 2399.3(A)(2)(c), (d), and (e), and Sections 7 and 8 of
9 Act No. 125 of the 2015 Regular Session of the Legislature, to enact R.S.
10 47:6022(D)(4), 6034(C)(1)(a)(iii)(cc) and (d)(iii), R.S. 51:2354(D) and
11 2399.3(A)(2)(f), and to repeal Sections 4, 5, and 6 of Act No. 125 of the 2015
12 Regular Session of the Legislature, relative to income and corporate franchise tax
13 credits; to restore the corporate income tax credit for state insurance premium tax
14 paid; to reduce the amounts of certain credits; to provide for an annual credit cap for
15 the musical and theatrical production income tax credit; to provide for the continued
16 effectiveness of certain previous reductions; and to provide for related matters.

17 Be it enacted by the Legislature of Louisiana:

18 Section 1. Sections 7 and 8 of Act No. 125 of the 2015 Regular Session of the
19 Legislature as amended by Section 2 of Act No. 29 of the 2016 First Extraordinary Session
20 of the Legislature is hereby amended and reenacted to read as follows:

21 Section 7.(A) Except as provided for in Subsection (B) of this Section, the
22 provisions of Sections 1, 2, and 3 of this Act shall apply to a claim for a credit on any

1 return filed on or after July 1, 2015, ~~through the termination date in the Act that~~
 2 ~~originated as House Bill No. 62 of the 2016 First Extraordinary Session of the~~
 3 ~~Legislature~~ regardless of the taxable year to which the return relates.

4 (B) The provisions of Sections 1, 2, and 3 of this Act shall not apply to an
 5 amended return filed on or after July 1, 2015, ~~through the termination date in the Act~~
 6 ~~that originated as House Bill No. 62 of the 2016 First Extraordinary Session of the~~
 7 ~~Legislature~~ relating to a credit properly claimed on an original return filed prior to
 8 July 1, 2015.

9 (C) If a return is filed after July 1, 2015, ~~through the termination date in the~~
 10 ~~Act that originated as House Bill No. 62 of the 2016 First Extraordinary Session of~~
 11 ~~the Legislature~~ for which a valid filing extension has been allowed prior to July 1,
 12 2015, then any portion of the credit reduced by the provisions of Sections 1, 2, or 3
 13 of this Act shall be allowed as a credit in the amount of one-third of the reduced
 14 portion of the credit on the taxpayer's return for each of the taxable years beginning
 15 during calendar years 2017, 2018, and 2019.

16 Section 8.~~(A)~~ The provisions of Sections 1, 2, and 3 of this Act shall become
 17 effective on July 1, 2015. ~~In the event the Act that originated as House Bill No. 62~~
 18 ~~of the 2016 First Extraordinary Session of the Legislature is enacted and becomes~~
 19 ~~effective, the provisions of Sections 1, 2, and 3 of this Act shall remain in effect~~
 20 ~~through the termination date in the Act that originated as House Bill No. 62 of the~~
 21 ~~2016 First Extraordinary Session of the Legislature.~~

22 ~~(B) The provisions of Sections 4, 5, and 6 of this Act shall become effective~~
 23 ~~upon the termination date of Sections 1, 2, and 3 of this Act, as provided in this~~
 24 ~~Section.~~

25 Section 2. R.S. 47:227, 287.759(A), 297(B) and (G)(2), 297.6(A)(1)(a), 6005(C)(1),
 26 6013(A), 6020(D)(2)(a), 6034(C)(1)(a)(iii)(bb)(introductory paragraph), and (d)(ii), and
 27 6037(B)(2)(b)(i) and (ii) and (c) all as amended by Section 2 of Act No. 125 of the 2015
 28 Regular Session and R.S. 47:6022(D)(3)(introductory paragraph) are hereby amended and
 29 reenacted and R.S. 47:6022(D)(4) and 6034(C)(1)(a)(iii)(cc) and (d)(iii) are hereby enacted
 30 to read as follows:

1 §227. Offset against tax

2 Every insurance company shall be entitled to an offset against any tax
3 incurred under this Chapter, in the amount of any taxes, based on premiums, paid by
4 it during the preceding twelve months, by virtue of any law of this state. ~~Beginning~~
5 ~~on and after July 1, 2015, the offset shall be equal to seventy-two percent of the~~
6 ~~amount of any taxes, based on premiums.~~

7 * * *

8 §287.759. Tax credit for employee and dependent health insurance coverage.

9 A. When any contractor or subcontractor in the letting of any contract for the
10 construction of a public work offers health insurance coverage as provided for in this
11 Section, ~~they~~ **he** shall be eligible for a three ~~and six tenths~~ percent income tax credit
12 on forty percent of the amount of the contract received in a tax year if eighty-five
13 percent of the full-time employees of each contractor are offered health insurance
14 coverage and each such general contractor or subcontractor pays seventy-five percent
15 of the total premium for such health insurance coverage for each full-time employee
16 who chooses to participate and pays not less than fifty percent of the total premium
17 for health insurance coverage for each dependent of the full-time employee who
18 elects to participate in dependent coverage.

19 * * *

20 §297. Reduction to tax due

21 * * *

22 B. The tax determined as provided in this Part shall be reduced by the
23 following: a credit for the elderly, a credit for contributions to candidates for public
24 office, an investment credit, a credit for foreign tax, a work incentive credit, jobs
25 credit, and residential energy credits. The amount of these credits shall be the lesser
26 of eighteen dollars or seven ~~and two tenths of one~~ percent of the same credits
27 allowed on the federal income tax return for the same taxable period.

28 * * *

29 G. There shall be an environmental equipment purchase tax credit to be
30 determined as follows:

* * *

(2) The tax credit shall be fourteen ~~and four tenths~~ percent of the purchase price of the equipment if paid for in a single taxable year. If the equipment purchase is financed over two or more taxable years, the tax credit in a taxable year shall be fourteen ~~and four tenths~~ percent of that portion of the original purchase price paid in that taxable year. For partnerships and Subchapter S Corporations, the tax credit shall proportionately pass through to each partner or shareholder in the same percentage in which other shares of income, gain, loss, deduction or credit are distributed in accordance with the partnership or shareholder agreement.

* * *

§297.6. Reduction to tax due; rehabilitation of residential structures

A.(1) There shall be a credit against individual income tax liability due under this Title for the amount of eligible costs and expenses incurred during the rehabilitation of an owner-occupied residential or owner-occupied mixed use structure located in a National Register Historic District, a local historic district, a Main Street District, a cultural products district, or a downtown development district, or such owner-occupied residential structure that has been listed or is eligible for listing on the National Register, or such structure that has been certified by the State Historic Preservation Office as contributing to the historical significance of the district, or a vacant and blighted owner-occupied residential structure located anywhere in the state that is at least fifty years old. The tax credit authorized pursuant to this Section shall be limited to one credit per structure rehabilitated. The total credit shall not exceed eighteen thousand five hundred dollars per structure. In order to qualify for that credit, the rehabilitation costs for the structure must exceed ten thousand dollars.

(a) If the credit is for the rehabilitation of an owner-occupied residential structure, the credit shall be ~~eighteen and one-half of one~~ **twenty-five** percent of the eligible costs and expenses of a rehabilitation for which an application for credit has been filed for the first time after July 1, 2011, **and on or before July 1, 2015. The credit shall be eighteen and one-half percent of the eligible costs and expenses**

1 of a rehabilitation for which an application for credit has been filed for the first
 2 time after July 1, 2015, and on or before July 1, 2017, and the credit shall be
 3 eighteen percent of the eligible costs and expenses of a rehabilitation for which
 4 an application for credit has been filed for the first time after July 1, 2017. If the
 5 residential structure is owned and occupied by two or more individuals, the
 6 applicable percentage shall be based on the sum of all owner-occupants who
 7 contribute to the rehabilitation, and the credit will be divided between the
 8 owner-occupants in proportion to their contribution to the eligible costs and
 9 expenses.

10 * * *

11 §6005. Qualified new recycling manufacturing or process equipment and service
 12 contracts

13 * * *

14 C.(1) A taxpayer who purchases qualified new recycling manufacturing or
 15 process equipment or qualified service contracts, or both, as defined in this Section
 16 and certified by the secretary of the Department of Environmental Quality to be used
 17 or performed exclusively in this state shall be entitled to a credit against any income
 18 and corporation franchise taxes imposed by the state in an amount equal to fourteen
 19 ~~and four-tenths of one~~ percent of the cost of the new recycling manufacturing or
 20 process equipment or qualified service contract, or both, less the amount of any other
 21 tax credits received for the purchase of such equipment or contract, or both.

22 * * *

23 §6013. Tax credits for donations made to public schools

24 A. There shall be allowed a credit against the corporate income tax and the
 25 corporation franchise tax for qualified donations made to a public school. The credit
 26 shall be an amount equal to twenty-eight ~~and eight-tenths~~ percent of the appraised
 27 value of the qualified donation. Any such credit shall be taken as a credit against the
 28 corporate income or corporation franchise tax for the taxable year in which the
 29 donation is made. The total of all such credits taken in a taxable year shall not exceed
 30 the total tax liability for that taxable year.

1 * * *

2 §6020. Angel Investor Tax Credit Program

3 * * *

4 D. Tax credit

5 * * *

6 (2)(a) An investor may apply for and, if qualified, be granted a credit on any
7 income or corporation franchise tax liability owed to the state by the taxpayer
8 seeking to claim the credit in the amount approved by the secretary of the
9 department. The amount of the tax credit shall be based upon the amount of money
10 invested by the investor in the Louisiana Entrepreneurial Business, which investment
11 shall not exceed seven hundred twenty thousand dollars per year per business and
12 one million four hundred forty thousand dollars total per business. Except as
13 otherwise provided in Subparagraph (b) of this Paragraph, the credit shall be allowed
14 against the income tax for the taxable period in which the credit is earned and the
15 franchise tax for the taxable period following the period in which the credit is earned.
16 The credits approved by the department shall be granted at the rate of twenty-five
17 ~~and two tenths~~ percent of the amount of the investment with the credit divided in
18 equal portions for five years.

19 * * *

20 §6022. Digital interactive media and software tax credit

21 * * *

22 D. Tax credit; specific projects.

23 * * *

24 (3) For applications for state-certified productions submitted to the office on
25 or after July 1, 2015, **and before July 1, 2017**, and subsequently approved by the
26 office and secretary, there are hereby authorized tax credits that shall be earned by
27 a company at the time funds are expended in Louisiana on a state-certified
28 production as follows:

29 * * *

30 **(4) For applications for state-certified productions submitted to the**

1 office on or after July 1, 2017, and subsequently approved by the office and
2 secretary, there are hereby authorized tax credits that shall be earned by a
3 company at the time funds are expended in Louisiana on a state-certified
4 production as follows:

5 (a) Credits shall be earned at the rate of eighteen percent of the base
6 investment.

7 (b) To the extent that base investment is expended on payroll for
8 Louisiana residents employed in connection with a state-certified production,
9 additional tax credits shall be earned at the rate of seven percent of the payroll.

10 * * *

11 §6034. Musical and theatrical production income tax credit

12 * * *

13 C. Income tax credits for state-certified productions and state-certified
14 musical or theatrical facility infrastructure projects:

15 (1) There is hereby authorized the following types of credits against the state
16 income tax:

17 (a)

18 * * *

19 (iii)

20 * * *

21 (bb) For state-certified projects that receive initial certification on or after
22 July 1, 2015, and before July 1, 2017, and except as limited for state-certified
23 infrastructure projects as provided for in this Subparagraph, the base investment
24 credit shall be for the following amounts:

25 * * *

26 (cc) For state-certified projects that receive initial certification on or
27 after July 1, 2017, and except as limited for state-certified infrastructure
28 projects as provided for in this Subparagraph, the base investment credit shall
29 be for the following amounts:

30 (I) If the total base investment is greater than one hundred thousand

1 dollars and less than or equal to three hundred thousand dollars, a company
 2 shall be allowed a tax credit of seven percent of the base investment made by
 3 that company.

4 (II) If the total base investment is greater than three hundred thousand
 5 dollars and less than or equal to one million dollars, a company shall be allowed
 6 a tax credit of fourteen percent of the base investment made by that company.

7 (III) If the total base investment is greater than one million dollars, a
 8 company shall be allowed a tax credit of eighteen percent of the base investment
 9 made by that company.

10 * * *

11 (d)

12 * * *

13 (ii) To the extent that base investment is expended on payroll for Louisiana
 14 residents employed in connection with a state-certified musical or theatrical
 15 production that receives initial certification on or after July 1, 2015, **and before**
 16 **July 1, 2017**, except for the students provided for in Subparagraph (c) of this
 17 Paragraph, or the construction of a state-certified musical or theatrical facility
 18 infrastructure project, a company shall be allowed an additional tax credit of seven
 19 and two-tenths of one percent of such payroll; however, if the amount paid to any
 20 one person exceeds one million dollars, the additional credit shall not include any
 21 amount paid to that person that exceeds one million dollars.

22 (iii) To the extent that base investment is expended on payroll for
 23 Louisiana residents employed in connection with a state-certified musical or
 24 theatrical production that receives initial certification on or after July 1, 2017,
 25 except for the students provided for in Subparagraph (c) of this Paragraph, or
 26 the construction of a state-certified higher education musical or theatrical
 27 facility infrastructure project, a company shall be allowed an additional tax
 28 credit of seven percent of such payroll; however, if the amount paid to any one
 29 person exceeds one million dollars, the additional credit shall not include any
 30 amount paid to that person that exceeds one million dollars.

1 * * *

2 §6037. Tax credit for "green job industries"

3 * * *

4 B. Income tax credits for state-certified green projects:

5 * * *

6 (2)

7 * * *

8 (b) The base investment credit for state-certified green projects shall be for
9 the following amounts:

10 (i) If the total base investment is greater than one hundred thousand dollars
11 and less than or equal to three hundred thousand dollars, a company shall be allowed
12 a tax credit of seven ~~and two tenths of one~~ percent of the base investment made by
13 that company.

14 (ii) If the total base investment is greater than three hundred thousand dollars
15 and less than or equal to one million dollars, a company shall be allowed a tax credit
16 of fourteen ~~and four tenths of one~~ percent of the base investment made by that
17 company.

18 * * *

19 (c) To the extent that base investment is expended on payroll for Louisiana
20 residents employed in connection with the construction of a state-certified green
21 project, a company shall be allowed an additional tax credit of seven ~~and two tenths~~
22 ~~of one~~ percent of the payroll; however, if the amount paid to any one person exceeds
23 one million dollars, the additional credit shall not include any amount paid to that
24 person that exceeds one million dollars.

25 Section 3. R.S. 51:2354(B)(introductory paragraph) and
26 2399.3(A)(2)(b)(introductory paragraph) both as amended by Section 3 of Act 125 of the
27 2015 Regular Session, R.S. 51:2399.3(A)(2)(c),(d), and (e), and are hereby amended and
28 reenacted and R.S. 51:2354(D) and 2399.3(A)(2)(f) are hereby enacted to read as follows:

29 §2354. Technology commercialization credit; amount; duration; forfeit

30 * * *

1 B. For applications for the technology commercialization credit approved on
2 or after July 1, 2015, and before July 1, 2017, the following shall apply:

3 * * *

4 C. For applications for the technology commercialization credit
5 approved on or after July 1, 2017, the following shall apply:

6 (1) Except as provided in Paragraph (2) of this Subsection, the taxpayer
7 may earn and apply for and, if qualified, be granted a refundable tax credit
8 which may be applied to any income or corporation franchise tax liability owed
9 to the state by the taxpayer seeking to claim the credit, equal in value to twenty-
10 nine percent of the amount of money invested by the taxpayer applicant in
11 commercialization costs for one business location meeting the requirements of
12 R.S. 51:2353(C)(1) and (2) as certified by the Department of Economic
13 Development.

14 (2) A tax credit granted pursuant to this Part shall expire and have no
15 value or effect on tax liability beginning with the twenty-first tax year after the
16 tax year in which it was originally earned, applied for, and granted. An
17 applicant that meets the requirements of R.S. 51:2353 and is approved by the
18 Department of Economic Development may receive a refundable tax credit
19 based on new jobs for the period of time approved which shall be equal to four
20 percent multiplied by the gross payroll of new direct jobs meeting the
21 requirements of R.S. 51:2353(C)(3) and (4) as certified by the Department of
22 Economic Development.

23 D. Upon approval of such an application, the Department of Economic
24 Development shall notify the Department of Revenue and shall provide it with a
25 copy of the certification. The Department of Revenue may require the qualified
26 employer to submit such additional information as may be necessary to administer
27 the provisions of this Chapter. The approved employer shall file applications for
28 refundable tax credits based on new jobs with the Department of Economic
29 Development to show its continued eligibility for the refundable tax credits. The
30 employer may be audited by the Department of Economic Development to verify

1 such eligibility.

2 * * *

3 §2399.3. Modernization tax credit

4 A.

5 * * *

6 (2)

7 * * *

8 (b) For credits approved on and after July 1, 2015, **and before July 1, 2017,**
9 the following shall apply:

10 * * *

11 (c) **For credits approved on and after July 1, 2017, the following shall**
12 **apply:**

13 **(i) The credits approved by the department shall be granted at the rate**
14 **of four percent of the amount of qualified expenditures incurred by the**
15 **employer for modernization with the credit divided in equal portions for five**
16 **years, subject to the limitations provided for in other Paragraphs of this**
17 **Subsection.**

18 **(ii) The total amount of modernization tax credits granted by the**
19 **Department of Economic Development in any calendar year shall not exceed**
20 **seven million two hundred thousand dollars irrespective of the year in which**
21 **claimed. The department shall by rule establish the method of allocating**
22 **available tax credits to applicants, including but not limited to a first-come,**
23 **first-served system, reservation of tax credits for a specified time period, or**
24 **other method which the department, in its discretion, may find beneficial to the**
25 **program. In the event that the total amount of credits granted in any calendar**
26 **year is less than seven million two hundred thousand dollars, any residual**
27 **amount of unused credits shall carry forward for use in subsequent years and**
28 **may be granted in addition to the seven million two hundred thousand dollar**
29 **limit for each year.**

30 **(d)** An employer earns the modernization tax credits in the year in which the

1 project is placed in service, but the employer may not claim modernization tax
 2 credits until the department signs a project completion form. No project placed in
 3 service before July 1, 2011 shall be eligible for the tax credit authorized pursuant to
 4 the provisions of this Section.

5 ~~(d)~~**(e)** After approving modernization tax credits for an employer, the
 6 department shall issue a tax credit certificate, a copy of which is to be attached to the
 7 tax return of the employer. The tax credit certificate shall contain the employer's
 8 name, address, tax identification number, the amount of credit, and other information
 9 required by the Department of Revenue. The tax credit certificate, unless rescinded
 10 by the department, shall be accepted by the Department of Revenue as proof of the
 11 credit.

12 ~~(e)~~**(f)** The Department of Economic Development shall maintain a list of the
 13 tax credit certificates issued.

14 * * *

15 Section 4. Sections 4, 5, and 6 of Act No. 125 of the 2015 Regular Session of the
 16 Legislature are hereby repealed in their entirety.

17 Section 5. Unless otherwise provided by the statute granting the credit, the
 18 provisions of Sections 2 and 3 of this Act shall be applicable to tax periods beginning on or
 19 after January 1, 2017.

20 Section 6. In case of any conflict between the provisions of this Act and the Act that
 21 originated as House Bill No. 454 of this 2017 Regular Session of the Legislature, the
 22 provisions of the Act that originated as House Bill No. 454 shall supercede and control
 23 regardless of the order of passage.

24 Section 7. In case of any conflict between the provisions of this Act and the Act that
 25 originated as Senate Bill No. 25 of this 2017 Regular Session of the Legislature, the
 26 provisions of the Act that originated as Senate Bill No. 25 shall supercede and control
 27 regardless of the order of passage.

28 Section 8. This Act shall become effective upon signature by the governor or, if not
 29 signed by the governor, upon expiration of the time for bills to become law without signature
 30 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

1 vetoed by the governor and subsequently approved by the legislature, this Act shall become
2 effective on the day following such approval.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____