

Proposed law would have authorized a credit against the corporate income tax and the corporation franchise tax for employers who allow parents to take paid leave for a period not more than four hours per month during the school year for the purpose of participating in activities directly related to the employee's child at the school or child day care center attended by the employee's child, which is limited to parent-teacher conferences, special presentations, and school-related committees, all during regular school hours.

Proposed law would have provided that the credit shall be an amount per hour of leave granted which is equal to the lesser of \$45 per hour or two and one-half times the employee's hourly wages.

Proposed law would have provided that any such credit shall be taken as a credit against the corporate income or corporate franchise tax for the taxable year in which the participation is made by the employee. The total of all such credits taken in a taxable year shall not exceed the total tax liability for that taxable year.

Proposed law would have defined "child," "child day care center," "employee," "employer," and "school" for purposes of proposed law.

Proposed law would have authorized the secretary of the Dept. of Revenue to promulgate rules as may be deemed necessary to carry out the purposes of this Section.

Proposed law would have been applicable to taxable periods beginning on and after Jan. 1, 2010 through Dec. 31, 2011.

Would have become effective upon signature of the governor or lapse of time for gubernatorial action.

(Proposed to add R.S. 47:6035)

VETO MESSAGE: " The State of Louisiana continues to face budget challenges for fiscal years 2011 and 2012. Lower revenues to state government and rising mandated state costs, such as the reduction in the federal Medicaid match beginning in fiscal year 2011, create a severe \$1.9 billion projected budget shortfall in two years. As has been widely reported, in times of declining revenues, healthcare and higher education resources are the most vulnerable because they comprise about three quarters of the unprotected discretionary General Fund portion of the budget. While I have signed into law many of the tax credit bills sent to me by the Legislature, the cumulative impact of all the tax credit bills passed during this session could cause the budget to be out of balance and thus require additional reductions in funding, e.g., for priorities like higher education and health care.

Senate Bill No. 194 carries a fiscal note of \$500,000 for 2011 and a five-year note of \$1,000,000.

Given the multi-year budget challenges facing the state, I have vetoed Senate Bill No. 194 and hereby return it to the Senate."