

Regular Session, 2013

HOUSE BILL NO. 696

BY REPRESENTATIVE MONTOUCET

TAX/INCOME TAX: Reduces the amount of certain tax credits beginning January 1, 2014, for income tax credits and January 1, 2015, for corporate franchise credits

1 AN ACT

2 To enact R.S. 47:6039 and to repeal R.S. 17:3389, Chapter 3 of Subtitle V of Title 47 of the  
3 Louisiana Revised Statutes of 1950, comprised of R.S. 47:4301 through 4306,  
4 Chapter 5 of Subtitle V of Title 47 of the Louisiana Revised Statutes of 1950,  
5 comprised of R.S. 47:4331 and 6037, and Chapter 22 of Title 51 of the Louisiana  
6 Revised Statutes of 1950, comprised of R.S. 51:1801 through 1813, relative to state  
7 income and franchise tax credits; to require the reduction of certain income and  
8 franchise tax credits; to repeal certain income tax credits; to provide for an effective  
9 date; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 47:6039 is hereby amended and reenacted to read as follows:

12 §6039. Reduction of tax credits; phase-in; duration

13 A. For income tax credits established and authorized pursuant to the  
14 provisions of R.S. 47:6004 through 6037 and Chapter 2 of Subtitle VII of Title 47  
15 of the Louisiana Revised Statutes of 1950, comprised of R.S. 47:6101 through 6109,  
16 the amount of the credit earned or granted shall be reduced by five percent beginning  
17 on or after January 1, 2014.

18 B. For corporation franchise tax credits established and authorized pursuant  
19 to the provisions of R.S. 47:6004 through 6037 and Chapter 2 of Subtitle VII of Title  
20 47 of the Louisiana Revised Statutes of 1950, comprised of R.S. 47:6101 through

1           6109, the amount of the credit earned or granted shall be reduced by five percent for  
2           taxable periods beginning on January 1, 2015.

3           Section 2. R.S. 17:3389, Chapter 3 of Subtitle V of Title 47 of the Louisiana Revised  
4 Statutes of 1950, comprised of R.S. 47:4301 through 4306, Chapter 5 of Subtitle V of Title  
5 47 of the Louisiana Revised Statutes of 1950, comprised of R.S. 47:4331, and 6037, and  
6 Chapter 22 of Title 51 of the Louisiana Revised Statutes of 1950, comprised of R.S. 51:1801  
7 through 1813 are hereby repealed in their entirety.

8           Section 3. The provisions of this Act shall be applicable for all income tax years  
9 beginning on and after January 1, 2014, and shall be applicable for all corporation franchise  
10 tax years beginning on and after January 1, 2015.

11           Section 4. This Act shall become effective on January 1, 2014.

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Montoucet

HB No. 696

**Abstract:** Reduces the amount of certain tax credits earned or granted by 5% beginning Jan. 1, 2014, for income tax credits, and Jan. 1, 2015, for corporation franchise tax credits.

Present law provides for the establishment of the following tax credits and tax credit programs:

- (1) R.S. 47:6004 - Employer tax credit.
- (2) R.S. 47:6005 - Tax credits for qualified new recycling manufacturing or process equipment or service contracts.
- (3) R.S. 47:6006 - Tax credits for local inventory taxes.
- (4) R.S. 47:6006.1 - Tax credits for taxes paid with respect to vessels in Outer Continental Shelf Lands Act Waters.
- (5) R.S. 47:6007 - Motion picture investor tax credit.
- (6) R.S. 47:6008 - Tax credits for donations made to assist playgrounds in economically depressed areas.
- (7) R.S. 47:6009 - Louisiana Basic Skills Training tax credit.
- (8) R.S. 47:6010 - Employer tax credit for employee alcohol and substance abuse treatment programs.

- (9) R.S. 47:6012 - Employer tax credits for donations of materials, equipment, advisors, or instructors.
- (10) R.S. 47:6013 - Tax credits for donations made to public schools.
- (11) R.S. 47:6014 - Credit for property taxes paid by certain telephone companies.
- (12) R.S. 47:6015 - Research and development tax credit.
- (13) R.S. 47:6016 - New Markets tax credit.
- (14) R.S. 47:6017 - Tax credits for certain expenses paid by economic development corporations.
- (15) R.S. 47:6018 - Tax credits for purchasers from "PIE contractors".
- (16) R.S. 47:6019 - Tax credit for rehabilitation of historic structures.
- (17) R.S. 47:6020 - Angel Investor Tax Credit Program.
- (18) R.S. 47:6021 - Brownfields Investor tax credit.
- (19) R.S. 47:6022 - Digital interactive media and software tax credit.
- (20) R.S. 47:6023 - Sound recording investor tax credit.
- (21) R.S. 47:6024 - Rural hospital service district cooperative endeavors and joint ventures.
- (22) R.S. 47:6025 - Tax credit for Louisiana Citizens Property Insurance Corporation assessment.
- (23) R.S. 47:6026 - Cane River Heritage tax credit.
- (24) R.S. 47:6027 - Mentor-Protégé Tax Credit Program.
- (25) R.S. 47:6028 - Tax credit for certain overpayments.
- (26) R.S. 47:6029 - Tax credit for conversion or acquisition of trailers which haul sugarcane.
- (27) R.S. 47:6030 - Wind or solar energy systems tax credit.
- (28) R.S. 47:6031 - Louisiana Community Economic Development Act Tax Credit.
- (29) R.S. 47:6032 - Tax credit for certain milk producers.
- (30) R.S. 47:6033 - Apprenticeship tax credits.
- (31) R.S. 47:6034 - Musical and theatrical production income tax credit.
- (32) R.S. 47:6035 - Tax credit for conversion of vehicles to alternative fuel usage.
- (33) R.S. 47:6036 - Ports of Louisiana tax credit.
- (34) R.S. 47:6104 - Child care expense tax credit.
- (35) R.S. 47:6105 - Child care provider tax credit.

(36) R.S. 47:6106 - Credit for child care directors and staff.

(37) R.S. 47:6107 - Business supported child care.

Present law provides for the amount of each of these tax credits, eligibility requirements for qualifying for applicants, and for the administration of each credit or credit program.

Proposed law retains present law but reduces the amount of each of these tax credits by 5% beginning on or after Jan. 1, 2014, for income tax credits, and for taxable periods beginning on Jan. 1, 2015, for corporation franchise tax credits.

Present law provides for the establishment of the following tax exemptions, tax credits, and tax credit programs:

- (1) R.S. 17:3389 - University research and development parks.
- (2) R.S. 47:4301-4306 - Exemptions for manufacturing establishments.
- (3) R.S. 47:4331 - Corporate Tax Apportionment Program.
- (4) R.S. 47:6037 - Tax credit for "green jobs industries".
- (5) R.S. 51:1801-1813 - Urban revitalization.

Proposed law repeals present law.

Effective Jan. 1, 2014.

(Adds R.S. 47:6039; Repeals R.S. 17:3389, R.S. 47:4301-4306, 4331, and 6037 and R.S. 51:1801-1813)