

2015 Regular Session

HOUSE BILL NO. 629

BY REPRESENTATIVES JACKSON, WESLEY BISHOP, COX, GAINES, HALL,
HUNTER, JAMES, TERRY LANDRY, NORTON, PIERRE, SMITH, AND
WOODRUFF

TAX CREDITS: Reduces income and corporation franchise tax credits

1 AN ACT

2 To amend and reenact R.S. 25:1226.4(C)(1) and (2), R.S. 47:34(B)(1), 35(C), 37(C), 227,

3 265, 287.664, 287.748(B)(1), 287.749(B), 287.752(B)(1), 287.753(C), 287.755(C),

4 287.758(B), 287.759(A) and (C)(3), 297(A), (B), (C)(1), (D)(2), (F), (G)(2), (H)(1),

5 (I)(2), (J)(4), (K)(2)(a), (L)(3), (M)(1), (N)(1) and (2), and (P)(2), 297.2,

6 297.4(A)(1)(a)(ii), (2), (3), and (4), 297.6(A)(1) and (5), 297.8(A)(introductory

7 paragraph), 297.9(A), 6004(A)(2), the heading of 6005, 6005(C)(1) and (D)(1),

8 6006(D)(5), 6006.1(E)(3), 6007(C)(1)(c)(introductory paragraph), 6008(A),

9 6009(D)(1), 6012(B), 6013(A), 6014(A), 6015(C)(2) and (D), 6016.1(B)(1) and

10 (E)(5), 6017(A), 6018(C), 6019(A)(1)(a), 6020(D)(1) and (2)(a),

11 6022(D)(2)(introductory paragraph), 6023(C)(1) and (3)(a), 6025(A)(1), 6026(D)(2)

12 and (3), 6030(B)(1) and (2)(a), 6032(C) and (F), 6034(C)(1)(a)(ii)(bb), (C)(1)(a)(iii),

13 (C)(1)(c), and (d), 6035(C)(1), 6036(C)(1)(b) and (I)(2)(a)(i), 6037(B)(1) and (2)(b),

14 (c), and (d), 6104(A), 6105, 6106(A), and 6107(A), and R.S. 51:1787(A)(1)(b) and

15 (2), 1807(C), 1924(B)(1) and (2), 2354(A) and (B), 2399.3(A)(2)(a) and (b), and

16 3085(B)(1)(a) and to enact R.S. 47:297.4(A)(1)(a)(iii), 6006(D)(6), 6006.1(E)(4),

17 6007(C)(1)(c)(iii) and (d), and 6022(D)(3), relative to income and corporate

18 franchise tax credits; to reduce the amount of tax credits; to provide for an effective

19 date; and to provide for related matters.

1 Be it enacted by the Legislature of Louisiana:

2 Section 1. R.S. 25:1226.4(C)(1) and (2) are hereby amended and reenacted to read
3 as follows:

4 §1226.4. Tax exemptions and credits

5 * * *

6 C.(1) Whenever the governor finds that a concern satisfies the requirements
7 of this Part and the criteria established by rule, he shall advise the commerce board
8 that it may enter into a contract with such cottage industry for a tax credit of up to
9 ~~one thousand five hundred~~ one thousand two hundred dollars ~~which that~~ may be used
10 against the tax liability for state income and corporation franchise taxes related to the
11 operations of the cottage industry within the development zone.

12 (2) In addition to those tax credits provided for in Paragraph (1) of this
13 Subsection, the board may also enter into contracts with eligible cottage industries
14 for a ~~one thousand five hundred~~ one thousand two hundred dollar tax credit per new
15 employee hired during the taxable year for which the credit is claimed. In order to
16 qualify for this credit, the applicant must have net new hires of one full-time
17 employee or two part-time employees. A full-time employee is a person employed
18 for at least thirty-two hours per week. A part-time employee is a person employed
19 for at least twenty hours per week. In order to qualify as a new hire for purposes of
20 this credit, the employee must have been a resident of the heritage area development
21 zone for at least thirty days prior to employment. The credit may be applied to any
22 state income tax liability or any state corporate franchise tax liability, but not
23 liabilities for penalty or interest due or outstanding at the time the credit is generated.
24 This credit shall be applicable only to a position that did not previously exist in the
25 business and that is filled by a resident of the development zone who is performing
26 duties in connection with the operation of the business as a regular, full-time
27 employee.

28 * * *

1 Section 2. R.S. 47:34(B)(1), 35(C), 37(C), 227, 265, 287.664, 287.748(B)(1),
2 287.749(B), 287.752(B)(1), 287.753(C), 287.755(C), 287.758(B), 287.759(A) and (C)(3),
3 297(A), (B), (C)(1), (D)(2), (F), (G)(2), (H)(1), (I)(2), (J)(4), (K)(2)(a), (L)(3), (M)(1),
4 (N)(1) and (2), and (P)(2), 297.2, 297.4(A)(1)(a)(ii), (2), (3), and (4), 297.6(A)(1) and (5),
5 297.8(A)(introductory paragraph), 297.9(A), 6004(A)(2), the heading of 6005, 6005(C)(1)
6 and (D)(1), 6006(D)(5), 6006.1(E)(3), 6007(C)(1)(c)(introductory paragraph), 6008(A),
7 6009(D)(1), 6012(B), 6013(A), 6014(A), 6015(C)(2) and (D), 6016.1(B)(1) and (E)(5),
8 6017(A), 6018(C), 6019(A)(1)(a), 6020(D)(1) and (2)(a), 6022(D)(2)(introductory
9 paragraph), 6023(C)(1) and (3)(a), 6025(A)(1), 6026(D)(2) and (3), 6030(B)(1) and (2)(a),
10 6032(C) and (F), 6034(C)(1)(a)(ii)(bb), (C)(1)(a)(iii), (C)(1)(c), and (d), 6035(C)(1),
11 6036(C)(1)(b) and (I)(2)(a)(i), 6037(B)(1) and (2)(b), (c), and (d), 6104(A), 6105, 6106(A),
12 and 6107(A), and R.S. 51:1787(A)(1)(b) and (2), 1807(C), 1924(B)(1) and (2), 2354(A) and
13 (B), 2399.3(A)(2)(a) and (b), and 3085(B)(1)(a) are hereby amended and reenacted and R.S.
14 47:297.4(A)(1)(a)(iii), 6006(D)(6), 6006.1(E)(4), 6007(C)(1)(c)(iii) and (d), and 6022(D)(3)
15 are hereby enacted to read as follows:

16 §34. Corporation tax credit

17 * * *

18 B.(1) The credit shall be a portion of the state corporate income tax, but not
19 in excess of ~~fifty~~ forty percent of such tax. Such portion shall be an amount
20 determined by multiplying the number of new employees, as defined in Subsection
21 C of this Section, by the following amounts:

22 (a) ~~one hundred~~ eighty dollars per eligible new employee per taxable year.

23 (b) ~~two hundred~~ one hundred sixty dollars per eligible new economically
24 disadvantaged employee per taxable year.

25 (c) ~~two hundred twenty-five~~ one hundred eighty dollars per new employee
26 who is a resident of a neighborhood with an unemployment rate of ten percent or
27 more per taxable year.

28 * * *

1 §35. Neighborhood assistance tax credit

2 * * *

3 C. The division of administration shall grant a tax credit against the state
4 corporate income tax liability. A tax credit of up to ~~seventy~~ fifty-six percent of the
5 actual amount contributed may be allowed for investment in programs approved by
6 the commissioner of administration. Such credit for any corporation shall not exceed
7 ~~two hundred fifty~~ two hundred thousand dollars annually. No tax credit shall be
8 granted to any bank, bank and trust company, insurance company, trust company,
9 national bank, savings association, or building and loan association for activities that
10 are a part of its normal course of business. Any tax credit not used in the period the
11 investment was made may be carried over for the next five succeeding taxable
12 periods until the full credit has been allowed.

13 * * *

14 §37. Tax credit for contributions to educational institutions

15 * * *

16 C. There shall be allowed a credit against the tax liability due under the
17 income tax for donations, contributions, or sales below cost of tangible movable
18 property made to educational institutions in the state of Louisiana. The credit
19 allowed by this Section shall be computed at the rate of ~~forty~~ thirty-two percent of
20 such property's value, as defined herein, or, in the case of a sale below cost, ~~forty~~
21 thirty-two percent of the difference between the price received for the tangible
22 movable property by the taxpayer and the value of the property as defined herein.
23 The credit shall be limited to the total of the tax liability for the taxable year for
24 which it is being claimed and shall be in lieu of the deductions from gross income
25 provided for in R.S. 47:57. The credit shall not be allowed if the taxpayer arbitrarily,
26 capriciously, or unreasonably discriminates against any person because of race,
27 religion, ideas, beliefs, or affiliations.

28 * * *

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 eighty percent of any taxes, based on
4 premiums, paid by it during the preceding twelve months, by virtue of any law of
5 this state.

6 * * *

7 §265. Credits arising from refunds by utilities

8 Whenever a utility refunds to its customers, pursuant to an order of a court
9 or regulatory agency as a result of the denial of a proposed rate increase, an amount
10 or amounts which, if taken as a deduction from gross income in the year paid or
11 accrued, would result in a net loss, then in lieu of such deduction the utility may elect
12 to take a credit against its Louisiana income tax in the amount of eighty percent of
13 the income tax increase which was the sole result of the inclusion of the amount or
14 amounts refunded in gross income in the year or years received irrespective of
15 whether or not the period of limitation provided in R.S. 47:1623 has expired for the
16 year in which the amount refunded was included in gross income. If this credit
17 exceeds the income tax that would be due the State of Louisiana in the year of the
18 refund, computed without the credit, then the excess of this credit may be carried
19 over the following two taxable years.

20 * * *

21 §287.664. Credits arising from refunds by utilities

22 Whenever a utility refunds to its customers, pursuant to an order of a court
23 or regulatory agency as a result of the denial of a proposed rate increase, an amount
24 or amounts which, if taken as a deduction from gross income in the year paid or
25 accrued, would result in a net loss, then in lieu of such deduction the utility may elect
26 to take a credit against its Louisiana income tax in the amount of eighty percent of
27 the income tax increase which was the sole result of the inclusion of the amount or
28 amounts refunded in gross income in the year or years received irrespective of
29 whether or not the period of limitation provided in R.S. 47:1623 has expired for the

1 year in which the amount refunded was included in gross income. If this credit
2 exceeds the income tax that would be due the state of Louisiana in the year of the
3 refund, computed without the credit, then the excess of this credit may be carried
4 over the following two taxable years.

5 * * *

6 §287.748. Corporation tax credit; re-entrant jobs credit

7 * * *

8 B.(1) The credit shall be ~~one hundred fifty~~ one hundred twenty dollars per
9 eligible re-entrant employed, as defined in Subsection C hereof, but shall not exceed
10 ~~fifty~~ forty percent of corporate income tax.

11 * * *

12 §287.749. Jobs credit

13 * * *

14 B.(1) The credit shall be a portion of the state corporate income tax, but shall
15 not exceed ~~fifty~~ forty percent of such tax. Such portion shall be an amount
16 determined as follows:

17 (a) ~~One hundred~~ Eighty dollars per eligible new employee per taxable year.

18 (b) ~~Two hundred~~ One hundred sixty dollars per eligible new economically
19 disadvantaged employee per taxable year.

20 (c) ~~Two hundred twenty-five~~ One hundred eighty dollars per new employee
21 who is a resident of a neighborhood with an unemployment rate of ten percent or
22 more per taxable year.

23 * * *

24 §287.752. Tax credit for employment of first-time nonviolent offenders

25 * * *

26 B.(1) The credit shall be ~~two hundred~~ one hundred sixty dollars per taxable
27 year per eligible employee.

28 * * *

1 §287.753. Neighborhood assistance tax credit

2 * * *

3 C. The division of administration or its successor shall grant a tax credit
4 against the state corporation income tax as provided in this Section. A tax credit of
5 up to ~~seventy~~ fifty-six percent of the actual amount contributed may be allowed for
6 investment in programs approved by the commissioner of administration or his
7 successor. Such credit for any corporation shall not exceed ~~two hundred fifty two~~
8 hundred thousand dollars annually. No tax credit shall be granted to any bank, bank
9 and trust company, insurance company, trust company, national bank, savings
10 association, or building and loan association for activities that are a part of its normal
11 course of business. Any tax credit not used in the period the investment was made
12 may be carried over for the next five succeeding taxable periods until the full credit
13 has been allowed.

14 * * *

15 §287.755. Tax credit for contributions to educational institutions

16 * * *

17 C. There shall be allowed a credit against the tax liability due under the
18 income tax for donations, contributions, or sales below cost of tangible movable
19 property made to educational institutions in the state of Louisiana. The credit
20 allowed by this Section shall be computed at the rate of ~~forty~~ thirty-two percent of
21 such property's value, as defined herein, or, in the case of a sale below cost, ~~forty~~
22 thirty-two percent of the difference between the price received for the tangible
23 movable property by the taxpayer and the value of the property as defined herein.
24 The credit shall be limited to the total of the tax liability for the taxable year for
25 which it is being claimed and shall be in lieu of the deductions from gross income
26 provided for in R.S. 47:57. The credit shall not be allowed if the taxpayer arbitrarily,
27 capriciously, or unreasonably discriminates against any person because of race,
28 religion, ideas, beliefs, or affiliations.

29 * * *

1 §287.758. Tax credit for bone marrow donor expense

2 * * *

3 B. A credit against the taxes otherwise due under this Part for the tax year
4 is allowed to an employer. The amount of the credit is equal to ~~twenty-five~~ twenty
5 percent of the bone marrow donor expense paid or incurred during the tax year by
6 an employer to provide a program for employees who are potential or who actually
7 become bone marrow donors.

8 * * *

9 §287.759. Tax credit for employee and dependent health insurance coverage

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

20 * * *

21 C.

22 * * *

23 (3) The credit shall not exceed ~~three million~~ two million four hundred
24 thousand dollars per year.

25 * * *

1 §297. Reduction to tax due

2 A. The tax determined as provided in this Part shall be reduced by ~~one~~
3 hundred eighty dollars for any taxpayer, taxpayer's spouse, or dependent who is deaf,
4 blind, mentally incapacitated, or has lost the use of one or more limbs. Only one
5 credit is allowed for any one person.

6 B. The tax determined as provided in this Part shall be reduced by the
7 following: a credit for the elderly, a credit for contributions to candidates for public
8 office, an investment credit, a credit for foreign tax, a work incentive credit, jobs
9 credit, and residential energy credits. The amount of these credits shall be the lesser
10 of ~~twenty-five~~ twenty dollars or ~~ten~~ eight percent of the same credits allowed on the
11 federal income tax return for the same taxable period.

12 C.(1) There shall be allowed to an individual, as a credit against the tax
13 imposed by this Chapter for the taxable year, an amount equal to eighty percent of
14 the state gasoline and motor fuels taxes and special fuels taxes paid to operate or
15 propel a commercial fishing boat. The credit shall not be allowed for any such taxes
16 for which a refund has been claimed pursuant to the provisions of Part VIII of
17 Chapter 18 of this Subtitle.

18 * * *

19 D. In addition to any other credits against the tax payable on net income
20 which the law allows to an individual taxpayer, the taxpayer shall be entitled to the
21 tax credit against the tax payable on net income provided for as follows:

22 * * *

23 (2) Any taxpayer who so qualifies shall be entitled to a maximum tax credit
24 of ~~twenty-five~~ twenty dollars per child for educational expenses.

25 * * *

26 F. There shall be allowed to an individual, as a credit against the tax imposed
27 by this Chapter for the taxable year, an amount equal to ~~thirty-three and one-third~~
28 twenty-seven percent of the amount contributed in a family responsibility program

1 under the provisions of R.S. 46:449. The amount of this credit shall not exceed ~~two~~
2 ~~hundred~~ one hundred sixty dollars per year.

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

5 * * *

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

14 * * *

15 H.(1) The tax determined as provided in this Part shall be reduced by the
16 lesser of the tax due or ~~five thousand~~ four thousand dollars per taxable year up to a
17 maximum of five years for each taxpayer meeting all of the following criteria.

18 * * *

19 I. There shall be a bone marrow donor expense tax credit for any individual
20 taxpayer required to file a Louisiana tax return, acting as a business entity authorized
21 to do business in the state, operating as either a sole proprietorship, a partner in a
22 partnership, or as a Subchapter S Corporation, for bone marrow donor expense to be
23 determined as follows:

24 * * *

1 (2) A credit against the taxes otherwise due under this Part for the tax year
2 is allowed to an employer. The amount of the credit is equal to ~~twenty-five~~ twenty
3 percent of the bone marrow donor expense paid or incurred during the tax year by
4 an employer to provide a program for employees who are potential bone marrow
5 donors or who actually become bone marrow donors.

6 * * *

7 J.

8 * * *

9 (4) The amount of the credit per tax year is equal to the least of the tax due,
10 or ~~one hundred eighty~~ eighty percent of the educational expenses, or ~~seven hundred fifty six~~
11 hundred dollars.

12 K.

13 * * *

14 (2)(a) The credit shall be ~~two hundred~~ one hundred sixty dollars per taxable
15 year per eligible employee.

16 * * *

17 L.

18 * * *

19 (3) The total amount of the credit shall be the lesser of ~~the full~~ eighty percent
20 of the purchase price including applicable taxes paid by the taxpayer or ~~one hundred~~
21 eighty dollars. In order to claim the tax credit provided in this Subsection, the
22 qualified taxpayer must submit a certification from his employer ~~which~~ that:

23 * * *

24 M.(1) There shall be allowed a credit against the individual income tax for
25 amounts paid as premiums for eligible long-term care insurance. The amount of the
26 credit shall be equal to ~~ten~~ eight percent of the total amount of premiums paid
27 annually by each individual claiming the credit.

28 * * *

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 N.(1) There shall be allowed a credit against individual income tax due in
2 a taxable year equal to eighty percent of the following amounts incurred by a
3 taxpayer during his tax year if related to the taxpayer's travel or absence from work
4 because of a living organ donation by the taxpayer or the taxpayer's spouse:

5 * * *

6 (2) The credit provided for by this Section shall not exceed ~~ten~~ eight
7 thousand dollars per organ donation. It shall be allowed against the income tax for
8 the taxable period in which the credit is earned. If the tax credit exceeds the amount
9 of such taxes due, then any unused credit may be carried forward as a credit against
10 subsequent tax liability for a period not to exceed ten years.

11 * * *

12 P.

13 * * *

14 (2) The amount of the credit shall be ~~one thousand~~ eight hundred dollars, or
15 eighty percent of the total tax liability of the taxpayer, whichever is less. The credit
16 shall be taken in the taxable year in which the construction of the dwelling is
17 completed. Only one tax credit may be granted per dwelling.

18 * * *

19 §297.2. Reduction to tax due

20 A person who maintains a household ~~which~~ that includes one or more
21 dependents who are physically or mentally incapable of caring for themselves may
22 take as a credit against the state income tax imposed by this Part ~~the full~~ eighty
23 percent of the amount of a tax credit equal to the applicable percentage of
24 employment-related expenses allowable pursuant to Section 21 of the Internal
25 Revenue Code. Any tax credit otherwise allowed under this Section ~~which~~ that is
26 not used by the taxpayer in a particular year may be carried forward and offset
27 against the taxpayer's tax liability for the next succeeding tax year.

28 * * *

1 §297.4. Reduction to tax due; certain child care expenses

2 A. There shall be a credit from the tax imposed by this Part for child care
3 expenses for which a resident individual is eligible pursuant to the federal income
4 tax credit provided by Internal Revenue Code Section 21 for the same taxable year.

5 The credit shall be calculated using the following percentages :

6 (1)(a) If the resident individual's federal adjusted gross income is equal to
7 or less than twenty-five thousand dollars, the credit shall be calculated based on the
8 federal tax credit before it is reduced by the amount of the individual's federal
9 income tax and be equal to the following amounts for the following tax years:

10 * * *

11 (ii) For tax years beginning after December 31, 2006, and before December
12 31, 2014, fifty percent of the unreduced federal credit.

13 (iii) For tax years beginning after December 31, 2015, forty percent of the
14 unreduced federal credit.

15 * * *

16 (2) If the resident individual's federal adjusted gross income is greater than
17 twenty-five thousand dollars and less than or equal to thirty-five thousand dollars,
18 the credit shall be equal to ~~thirty~~ twenty-four percent of the federal credit for child
19 care expenses claimed on the resident individual's federal tax return.

20 (3) If the resident individual's federal adjusted gross income is greater than
21 thirty-five thousand and less than or equal to sixty thousand dollars, the credit shall
22 be equal to ~~ten~~ eight percent of the federal credit for child care expenses claimed on
23 the resident individual's federal tax return.

24 (4) If the resident individual's federal adjusted gross income is greater than
25 sixty thousand dollars, the credit shall be equal to the lesser of ~~twenty-five~~ twenty
26 dollars or ~~ten~~ eight percent of the federal credit for child care expenses claimed on
27 the resident individual's federal tax return.

28 * * *

1 §297.6. Reduction to tax due; rehabilitation of residential structures

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

16 (a) If the credit is for the rehabilitation of an owner-occupied residential
17 structure, the credit shall be ~~twenty-five~~ twenty percent of the eligible costs and
18 expenses of a rehabilitation for which an application for credit has been filed for the
19 first time after July 1, 2011. If the residential structure is owned and occupied by
20 two or more individuals, the applicable percentage shall be based on the sum of all
21 owner-occupants who contribute to the rehabilitation, and the credit will be divided
22 between the owner-occupants in proportion to their contribution to the eligible costs
23 and expenses.

24 (b) If the credit is for the rehabilitation of a vacant and blighted owner-
25 occupied residential structure that is at least fifty years old, the credit shall be ~~fifty~~
26 forty percent of the eligible costs and expenses of a rehabilitation for which an
27 application for credit has been filed for the first time after July 1, 2011.

28 * * *

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 (5) The maximum amount of tax credits allowed by the State Historic
2 Preservation Office to be granted in any calendar year shall not exceed ~~ten~~ eight
3 million dollars. The granting of credits under this Section shall be on a first-come,
4 first-served basis. If the total amount of credits applied for in any particular year
5 exceeds the aggregate amount of tax credits allowed for that year, the excess will be
6 treated as having been applied for on the first day of the subsequent year.

7 * * *

8 §297.8. Earned income tax credit

9 A. There shall be a credit against the tax imposed by this Chapter for
10 individuals in an amount equal to ~~three and one-half~~ two and four-fifths percent of
11 the federal earned income tax credit for which the individual is eligible for the
12 taxable year under Section 32 of the Internal Revenue Code.

13 * * *

14 §297.9. Reduction to tax due; amounts paid by certain military servicemembers and
15 dependents for certain hunting and fishing licenses

16 A. There shall be a credit against individual income tax liability due under
17 this Part for eighty percent of the amounts paid by an active or reserve military
18 servicemember, or the spouse or dependent of such servicemember, for obtaining a
19 Louisiana noncommercial hunting or fishing license for themselves or their spouses
20 and dependents.

21 * * *

22 §6004. Employer credit

23 A.

24 * * *

25 (2) The credit shall be ~~seven hundred fifty~~ six hundred dollars and shall be
26 allowed against the income tax for the taxable period during which the new
27 employee has completed one year of full-time service with the taxpayer ~~and/or~~ or
28 against the corporation franchise tax for the taxable period following the taxable

1 period during which the new employee has completed one year of full-time service
2 with the taxpayer. Only one tax credit shall be allowed for:

3 * * *

4 §6005. Qualified new recycling manufacturing or process equipment ~~and/or~~ and
5 service contracts

6 * * *

7 C.(1) A taxpayer who purchases qualified new recycling manufacturing or
8 process equipment ~~and/or~~ or qualified service contracts, or both, as defined in this
9 Section and certified by the secretary of the Department of Environmental Quality
10 to be used or performed exclusively in this state shall be entitled to a credit against
11 any income and corporation franchise taxes imposed by the state in an amount equal
12 to ~~twenty sixteen~~ sixteen percent of the cost of the new recycling manufacturing or process
13 equipment ~~and/or~~ or qualified service contract, or both, less the amount of any other
14 tax credits received for the purchase of such equipment ~~and/or~~ or contract, or both.

15 * * *

16 D.(1) The amount of the credit claimed in the taxable period for which
17 certification of equipment is received, and the amount of credit claimed therefor in
18 each taxable period thereafter, shall not exceed twenty percent of the amount of the
19 total credit allowable. In no case shall the credit claimed exceed fifty percent of the
20 tax liability which would be otherwise due for that taxable period. Any unused
21 credit for a taxable year in which a credit is allowed may be carried forward to
22 subsequent years until the credit is exhausted. Total credits certified by the secretary
23 of the Department of Environmental Quality in any calendar year shall not exceed
24 ~~five million~~ four million dollars.

25 * * *

26 §6006. Tax credits for local inventory taxes paid

27 * * *

28 D. The credit provided in this Section shall be allowed as follows:

29 * * *

1 (5) For inventory taxes paid to political subdivisions on or after July 1, 1996,
2 and before June 30, 2015, the credit shall be one hundred percent of such taxes paid.

3 (6) For inventory taxes paid to political subdivisions on or after July 1, 2015,
4 the credit shall be eighty percent of taxes paid.

5 §6006.1. Tax credits for taxes paid with respect to vessels in Outer Continental
6 Shelf Lands Act Waters

7 * * *

8 E. The credit provided in this Section shall be allowed as follows:

9 * * *

10 (3) For ad valorem taxes on Outer Continental Shelf Lands Act Waters
11 vessels paid to political subdivisions on or after July 1, 1996, and before June 30,
12 2015, the credit shall be one hundred percent of such taxes paid.

13 (4) For ad valorem tax on Outer Continental Shelf Lands Act Waters vessels
14 paid to political subdivisions on or after July 1, 2015, the credit shall be eighty
15 percent of taxes paid.

16 §6007. Motion picture investor tax credit

17 * * *

18 C. Investor tax credit; specific productions and projects.

19 (1)

20 * * *

21 (c) For state-certified productions approved by the office and the secretary
22 on or after July 1, 2009, but before July 1, 2015:

23 * * *

24 (iii) The initial certification shall be effective for a period of twelve months
25 prior to and twelve months after the date of initial certification, unless the production
26 has commenced, in which case the initial certification shall be valid until the
27 production is completed.

28 (d) For state-certified productions approved by the office and the secretary
29 on or after July 1, 2015:

1 (i) If the total base investment is greater than three hundred thousand dollars,
2 each investor shall be allowed a tax credit of twenty-four percent of the base
3 investment made by that investor.

4 (ii) To the extent that base investment is expended on payroll for Louisiana
5 residents employed in connection with a state-certified production, each investor
6 shall be allowed an additional tax credit of four percent of such payroll. However,
7 if the payroll to any one person exceeds one million dollars, this additional credit
8 shall exclude any salary for that person that exceeds one million dollars.

9 (iii) The initial certification shall be effective for a period of twelve months
10 prior to and twelve months after the date of initial certification, unless the production
11 has commenced, in which case the initial certification shall be valid until the
12 production is completed.

13 * * *

14 §6008. Tax credits for donations made to assist playgrounds in economically
15 depressed areas

16 A. There shall be allowed a credit against any Louisiana income or
17 corporation franchise tax for qualified donations made to qualified playgrounds. The
18 credit shall be an amount equal to the lesser of ~~one thousand~~ eight hundred dollars
19 or ~~one-half~~ four-tenths of the value of the cash, equipment, goods, or services
20 donated. Any such credit shall be taken as a credit against the applicable tax or taxes
21 only in the taxable period in which the donation is made. The total amount of the
22 credits taken by any taxpayer during any taxable year shall not exceed one thousand
23 dollars.

24 * * *

25 §6009. Louisiana Basic Skills Training Tax Credit

26 * * *

27 D. Tax credits. (1) Any Louisiana business or industry which satisfies the
28 criteria provided for herein shall, with submission of proper and complete
29 applications, receive a ~~two hundred fifty~~ two hundred dollar tax credit per

1 participating employee, with the total of all such basic skills training tax credits not
 2 to exceed ~~thirty~~ twenty-four thousand dollars for any such single business or industry
 3 enterprise in a particular tax year. This tax credit may be applied to any state income
 4 tax liability or any state corporation franchise tax liability and, if the entire credit
 5 cannot be used in the year earned, the remainder may be applied against income tax
 6 or corporation franchise tax liabilities for the succeeding two tax years, or until the
 7 entire credit is used, whichever occurs first.

8 * * *

9 §6012. Employer tax credits for donations of materials, equipment, advisors, or
 10 instructors

11 * * *

12 B. There shall be a credit against any Louisiana income or corporation
 13 franchise tax for the donation of the latest technology available in materials,
 14 equipment, or instructors made to public training providers, secondary and
 15 postsecondary vocational-technical schools, apprenticeship program registered with
 16 the Louisiana Workforce Commission, or community colleges within the state. The
 17 credit shall be an amount equal to ~~one-half~~ four tenths of the value of the donated
 18 materials, equipment, or services rendered by the instructor. Any such credit shall
 19 be taken as a credit against the applicable tax or taxes in the taxable period in which
 20 the donation was made. This tax credit, when combined with all other applicable tax
 21 credits, shall not exceed twenty percent of the employer's tax liability for any taxable
 22 year.

23 * * *

24 §6013. Tax credits for donations made to public schools

25 A. There shall be allowed a credit against the corporate income tax and the
 26 corporation franchise tax for qualified donations made to a public school. The credit
 27 shall be an amount equal to ~~forty~~ thirty-two percent of the appraised value of the
 28 qualified donation. Any such credit shall be taken as a credit against the corporate
 29 income or corporation franchise tax for the taxable year in which the donation is

1 made. The total of all such credits taken in a taxable year shall not exceed the total
2 tax liability for that taxable year.

3 * * *

4 §6014. Credit for property taxes paid by certain telephone companies; fund

5 A. Pursuant to the provisions of this Section, there shall be allowed a credit
6 against Louisiana corporation or individual income taxes and Louisiana corporation
7 franchise tax for, and in an amount equal to, ~~forty~~ thirty-two percent of the aggregate
8 ad valorem taxes paid to political subdivisions of this state after December 31, 2000,
9 by a telephone company, as defined in R.S. 47:1851(Q), with respect to such
10 telephone company's public service properties, as defined in R.S. 47:1851(M), which
11 are assessed by the Louisiana Tax Commission at twenty-five percent of fair market
12 value pursuant to R.S. 47:1854.

13 * * *

14 §6015. Research and development tax credit

15 * * *

16 C.

17 * * *

18 (2) The amount of the credit authorized in this Section shall be equal to
19 either:

20 (a) ~~Eight Six~~ Six percent of the difference, if any, of the Louisiana qualified
21 research expenses for the taxable year minus the base amount, if the taxpayer is an
22 entity that employs one hundred or more persons.

23 (b) ~~Twenty Sixteen~~ Sixteen percent of the difference, if any, of the Louisiana
24 qualified research expenses for the taxable year minus the base amount, if the
25 taxpayer is an entity that employs fifty to ninety-nine persons.

26 (c) ~~Forty~~ Thirty-two percent of the Louisiana qualified research expenses for
27 the taxable year, if the taxpayer is an entity that employs less than fifty persons.

28 * * *

1 D. A taxpayer who receives a federal Small Business Innovation Research
2 Grant as created by the Small Business Innovation Development Act of 1982 (P.L.
3 97-219), reauthorized by the Small Business Research and Development
4 Enhancement Act (P.L. 102-564), and reauthorized again by the Small Business
5 Reauthorization Act of 2000 (P.L. 106-554), shall be allowed a refundable tax credit
6 in an amount equal to ~~forty~~ thirty-two percent of the award received during the tax
7 year.

8 * * *

9 §6016.1. Louisiana New Markets Jobs Act; premium tax credit

10 * * *

11 B. As used in this Section, the following words, terms, and phrases have the
12 meaning ascribed to them unless a different meaning is clearly indicated by the
13 context:

14 (1) "Applicable percentage" means ~~fourteen~~ eleven percent for the first and
15 second credit allowance dates and ~~eight and one-half~~ seven percent for the third and
16 fourth credit allowance dates.

17 * * *

18 E.

19 * * *

20 (5) A total of ~~fifty-five million~~ forty-four million dollars of qualified equity
21 investment authority shall be available for certification and allocation. The
22 department shall accept applications beginning on August 1, 2013, for allocation and
23 certification of up to ~~fifty-five million~~ forty-four million dollars of qualified equity
24 investments. If a pending request cannot be fully certified due to these limits of
25 qualified equity investment authority, the department shall certify the portion of
26 qualified equity investment authority that may be certified unless the qualified
27 community development entity elects to withdraw its request rather than receive
28 partial certification.

29 * * *

1 §6017. Tax credits for certain expenses paid by economic development corporations

2 A. There shall be allowed a credit against any Louisiana income or
3 corporation franchise taxes for the filing fee paid to the Louisiana State Bond
4 Commission that is incurred by an economic development corporation in the
5 preparation and issuance of bonds, as provided for in Chapter 27 of Title 33 of the
6 Louisiana Revised Statutes of 1950. The credit shall be an amount equal to eighty
7 percent of the amount of the filing fee paid to the Louisiana State Bond Commission
8 that is incurred by the corporation in the preparation and issuance of the bonds.

9 * * *

10 §6018. Tax credits for purchasers from "PIE contractors"

11 * * *

12 C. The amount of the credit shall be equal to eighty percent of the state sales
13 and use tax paid by the purchaser on each case or other unit of apparel during the
14 purchaser's tax year as reflected on the books and records of the purchaser during his
15 tax year.

16 * * *

17 §6019. Tax credit; rehabilitation of historic structures

18 A.(1)(a) There shall be a credit against income and corporation franchise tax
19 for the amount of eligible costs and expenses incurred during the rehabilitation of a
20 historic structure located in a downtown development or a cultural district. The
21 credit shall not exceed ~~twenty-five~~ twenty percent of the eligible costs and expenses
22 of the rehabilitation. No taxpayer, or any entity affiliated with such taxpayer, shall
23 claim more than ~~five million~~ four million dollars of credit annually for any number
24 of structures rehabilitated within a particular downtown development or cultural
25 district.

26 * * *

27 §6020. Angel Investor Tax Credit Program

28 * * *

1 D. Tax credits. (1) The total amount of tax credits granted by the
2 department in any calendar year shall not exceed ~~five million~~ four million dollars.
3 The department shall by rule establish the method of allocating available tax credits
4 to investors including but not limited to a first-come, first-served system, reservation
5 of tax credits for a specific time period, or other method which the department, in its
6 discretion, may find beneficial to the program. If the department does not grant the
7 entire ~~five million~~ four million dollars in tax credits in any calendar year, the amount
8 of residual unused tax credits shall carry forward to subsequent calendar years and
9 may be granted in any year without regard to the ~~five million~~ four million dollar per
10 year limitation. After the approval of an investor pool, the department shall issue a
11 letter identifying the amount of tax credits that are available to that pool; however,
12 no tax credit shall be granted to an investor until the investment has been made in the
13 Louisiana Entrepreneurial Business.

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

* * *

§6022. Digital interactive media and software tax credit

* * *

1 D. Tax credit; specific projects.

2 * * *

3 (2) For applications for state-certified productions submitted to the office on
4 or after July 1, 2009, and before July 1, 2015, and subsequently approved by the
5 office and secretary, there are hereby authorized tax credits which shall be earned by
6 a company at the time funds are expended in Louisiana on a state-certified
7 production as follows:

8 * * *

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

13 (a) Credits shall be earned at the rate of twenty percent of the base
14 investment.

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

18 * * *

19 §6023. Sound recording investor tax credit

20 * * *

21 C. Investor tax credit; state-certified productions and infrastructure projects.

22 (1) Until January 1, 2020, there is hereby authorized a credit against the state income
23 tax for investments made in state-certified productions and state-certified sound
24 recording infrastructure projects. The tax credit shall be earned by investors at the
25 time expenditures are certified by the Louisiana Department of Economic
26 Development according to the total base investment certified for the sound recording
27 production company per calendar year; however, no credit shall be allowed under
28 this Section for any expenditures for which a credit was granted under R.S. 47:6007.
29 For state-certified productions certified on and after July 1, 2007, and state-certified

1 infrastructure projects which have applied on or before August 1, 2009, each investor
2 shall be allowed a tax credit of ~~twenty-five~~ twenty percent of the base investment
3 made by that investor in excess of fifteen thousand dollars or, if a resident of this
4 state, in excess of five thousand dollars.

5 * * *

6 (3)(a) Except as otherwise provided in this Paragraph, the aggregate amount
7 of credits certified for all investors pursuant to this Section during any calendar year
8 shall not exceed ~~three million~~ two million four hundred thousand dollars.

9 * * *

10 §6025. Tax credit for Louisiana Citizens Property Insurance Corporation assessment

11 A.(1) There shall be allowed a credit against Louisiana income tax due in a
12 taxable year for eighty percent of the amount of surcharges, market equalization
13 charges, or assessments paid by a taxpayer during the taxable year as a result of the
14 2005 regular assessment or the emergency assessments levied due to Hurricanes
15 Katrina and Rita by Louisiana Citizens Property Insurance Corporation for the FAIR
16 Plan and Coastal Plan, as they are defined in R.S. 22:2292.

17 * * *

18 §6026. Cane River heritage tax credit

19 * * *

20 D.

21 * * *

22 (2) The tax credit authorized by the provisions of this Section shall be for an
23 amount of up to ~~one thousand five hundred~~ one thousand two hundred dollars, which
24 may be used against the tax liability for state income and corporation franchise taxes
25 related to the operations of the cottage industry within the development zone.

26 (3) In addition, the department may also enter into contracts with eligible
27 cottage industries for a ~~one thousand five hundred~~ one thousand two hundred dollar
28 tax credit per new employee hired during the taxable year for which the credit is
29 claimed. In order to qualify for this credit, the applicant must have net new hires of

1 one full-time employee or two part-time employees. A full-time employee is a
 2 person employed for at least thirty-two hours per week. A part-time employee is a
 3 person employed for at least twenty hours per week. In order to qualify as a new hire
 4 for purposes of this credit, the employee must have been a resident of the heritage
 5 area development zone for at least thirty days prior to employment. The credit may
 6 be applied to any state income tax liability or any state corporate franchise tax
 7 liability, but shall not be applied to any liabilities for penalty or interest due or
 8 outstanding at the time the credit is generated. This credit shall be applicable only
 9 to a position that did not previously exist in the business and that is filled by a
 10 resident of the development zone who is performing duties in connection with the
 11 operation of the business as a regular, full-time employee.

12 * * *

13 §6030. Solar energy systems tax credit

14 * * *

15 B.(1) The tax credit for the purchase and installation of a system at a
 16 Louisiana residence or for a system which is already installed in a newly constructed
 17 home located in Louisiana shall be equal to ~~fifty~~ forty percent of the first twenty-five
 18 thousand dollars of the cost of a system that is purchased and installed on or after
 19 January 1, 2008, and before January 1, 2018. There shall be no tax credits
 20 authorized, issued, or granted as provided in this Paragraph for systems installed
 21 after December 31, 2017.

22 (2)

23 * * *

24 (a) The tax credit shall be equal to ~~fifty~~ forty percent of the first twenty-five
 25 thousand dollars of the cost of purchase for a system installed before January 1,
 26 2014. For a system installed on or after January 1, 2014, and before January 1, 2018,
 27 the tax credit shall be equal to ~~thirty-eight~~ thirty percent of the first twenty-five
 28 thousand dollars of the cost of purchase.

29 * * *

1 §6032. Tax credit for certain milk producers

2 * * *

3 C. Each qualifying taxpayer is eligible for tax credits based on the
4 production and sale of milk below the announced production price over a calendar
5 year in accordance with the following schedule:

6	Amount of Milk Produced:	Amount of Tax Credit:
7	Up to 1,000,000 pounds	\$ 5,000 <u>\$4,000</u>
8	1,000,001 to 1,500,000 pounds	\$10,000 <u>\$8,000</u>
9	1,500,001 to 2,000,000 pounds	\$15,000 <u>\$12,000</u>
10	2,000,001 to 2,500,000 pounds	\$20,000 <u>\$16,000</u>
11	2,500,001 to 3,000,000 pounds	\$25,000 <u>\$22,000</u>
12	3,000,001 pounds and above	\$30,000 <u>\$24,000</u>

13 * * *

14 F. The credit allowed for each producer pursuant to this Section shall not
15 exceed thirty thousand dollars per calendar year. The total aggregate amount of tax
16 credits for all producers provided for under this Section shall be capped at ~~two~~
17 ~~million five hundred thousand~~ two million dollars per calendar year.

18 * * *

19 §6034. Musical and theatrical production income tax credit

20 * * *

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

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

25 (a)

26 * * *

27 (ii)

28 * * *

1 (bb) For state-certified higher education musical or theatrical infrastructure
2 projects that receive initial certification on or before January 1, 2018, a base
3 investment credit may be earned for expenditures made in the state on or before
4 January 1, 2022, for the construction, repair, or renovation of a new state-certified
5 higher education musical or theatrical facility infrastructure project, or for
6 investments made by a company or a financier in such infrastructure project that are,
7 in turn, expended for such construction, repair, or renovation. No more than ~~ten~~
8 eight million dollars in tax credits per project or ~~sixty~~ forty-eight million dollars total
9 in tax credits shall be granted for state-certified higher education musical or
10 theatrical infrastructure projects. Twenty-five percent of the total base investment
11 provided for in the initial certification letter of a state-certified higher education
12 musical or theatrical infrastructure project must be expended on or before January
13 1, 2020, in order for the project to earn credits for the remaining estimated base
14 investment provided for in the initial certification letter, as expenditures are made in
15 the state on or before January 1, 2022. No credits shall be certified until the state-
16 certified higher education musical or theatrical infrastructure project is complete.
17 The initial certification letter shall be effective for qualified expenditures made no
18 more than six months prior to the date of application. State-certified higher education
19 musical or theatrical infrastructure projects shall not be subject to the provisions of
20 Subitem (cc) of this Item nor shall such projects be subject to the provisions of
21 Subsection H of this Section.

* * *

22
23 (iii) Except as limited for state-certified infrastructure projects as provided
24 for in this Subparagraph, the base investment credit shall be for the following
25 amounts:

26 (aa) If the total base investment is greater than one hundred thousand dollars
27 and less than or equal to three hundred thousand dollars, a company shall be allowed
28 a tax credit of ~~ten~~ eight percent of the base investment made by that company.

1 (bb) If the total base investment is greater than three hundred thousand
2 dollars and less than or equal to one million dollars, a company shall be allowed a
3 tax credit of ~~twenty~~ sixteen percent of the base investment made by that company.

4 (cc) If the total base investment is greater than one million dollars, a
5 company shall be allowed a tax credit of ~~twenty-five~~ twenty percent of the base
6 investment made by that company.

7 * * *

8 (c) An additional tax credit of ~~one-tenth~~ eight-hundredths of one percent of
9 the amount expended to employ students enrolled in Louisiana colleges, universities,
10 and vocational-technical schools in a state certified musical or theatrical production
11 in arts-related positions, such as an actor, writer, producer, stagehand, or director, or
12 as a technician working on aspects of the production such as lighting, sound, and
13 actual stage work, or working indirectly on the production in accounting, law,
14 management, and marketing.

15 (d) To the extent that base investment is expended on payroll for Louisiana
16 residents employed in connection with a state-certified musical or theatrical
17 production, except for the students provided for in Subparagraph (c) of this
18 Paragraph, or the construction of a state-certified musical or theatrical facility
19 infrastructure project, a company shall be allowed an additional tax credit of ~~ten~~
20 eight percent of such payroll; however, if the amount paid to any one person exceeds
21 one million dollars, the additional credit shall not include any amount paid to that
22 person that exceeds one million dollars.

23 * * *

24 §6035. Tax credit for conversion of vehicles to alternative fuel usage

25 * * *

26 C.(1) The credit provided for in Subsection A of this Section shall be
27 allowed against individual or corporate income tax for the taxable period in which

1 the property is purchased and installed, if applicable, and shall be equal to ~~fifty~~ forty
2 percent of the cost of the qualified clean-burning motor vehicle fuel property.

3 * * *

4 §6036. Ports of Louisiana tax credits

5 * * *

6 C. Investor tax credit. (1)(a) There are hereby authorized the following
7 credits against state income and corporate franchise tax:

8 * * *

9 (b) The Investor Tax Credit provided for in this Subsection shall be granted
10 by the Department of Economic Development for a qualifying project if the
11 commissioner of administration, after approval of the Joint Legislative Committee
12 on the Budget, and the state bond commission certifies to the secretary of the
13 department that securing the project will result in a significant positive economic
14 benefit to the state. "Significant positive economic benefit" means net positive tax
15 revenue that shall be determined by taking into account direct, indirect, and induced
16 impacts of the project based on a standard economic impact methodology utilized
17 by the commissioner, and the value of the credit, and any other state tax and financial
18 incentives that are used by the department to secure the project. If the commissioner
19 with the approval of the committee so certifies, then the Department of Economic
20 Development may grant a tax credit equal to eighty percent of the total capital costs
21 of such qualifying project to be taken at five percent per tax year or shall grant such
22 other amount of tax credit to be taken at such other percentage which is warranted
23 by the significant positive economic benefit determined by the commissioner, but no
24 tax credit granted for a qualifying project shall exceed ~~two million five hundred~~
25 ~~thousand~~ two million dollars per tax year. However, the total amount of tax credits
26 granted on a qualifying project shall not exceed the total cost of the project. In
27 addition, the investor tax credits granted by the department to any recipient pursuant
28 to this Section shall be limited to an amount which shall not result in a reduction of

1 tax liability by all recipients of such credits to exceed ~~six million two hundred fifty~~
2 ~~thousand~~ five million dollars in any fiscal year.

3 * * *

4 I. Import-export cargo tax credit.

5 * * *

6 (2)(a)(i) For taxable years beginning on and after January 1, 2014, there shall
7 be allowed a credit against the individual income, corporation income, and
8 corporation franchise tax liability of a taxpayer who has received certification
9 pursuant to the provisions of Paragraph (1) of this Subsection; provided that the
10 credit shall be allowed only against the tax liability of the international business
11 entity which receives the certification. The amount of the credit shall be equal to the
12 product of multiplying ~~five dollars~~ four dollars by the taxpayer's number of tons of
13 qualified cargo for the taxable year which exceeds the pre-certification tonnage or
14 the product of multiplying the number of dollars by the taxpayer's number of tons of
15 qualified cargo for the taxable year or portion of a taxable year which exceeds the
16 pre-certification tonnage which is warranted by the significant positive economic
17 benefit determined by the commissioner pursuant to Item (ii) of this Subparagraph,
18 whichever is less. For purposes of this Item, "pre-certification tonnage" means the
19 number of tons of cargo which meets the definition of qualified cargo for purposes
20 of this credit, and which was owned by the international business entity receiving the
21 credit, were imported or exported to or from a manufacturing, fabrication, assembly,
22 distribution, processing, or warehouse facility located in Louisiana, and which were
23 so moved by way of an oceangoing vessel berthed at public port facilities in
24 Louisiana during the 2013 calendar year. However, each tax credit granted to a
25 taxpayer shall be subject to the same limit as is provided for a qualifying project
26 pursuant to Subparagraph (C)(1)(b) of this Section. In addition, the import-export
27 cargo tax credits granted by the department to any recipient pursuant to this Section
28 shall be limited to an amount which shall not result in a reduction of tax liability by

1 all recipients of such credits to exceed ~~six million two hundred fifty thousand~~ five
2 million dollars in any fiscal year.

3 * * *

4 §6037. Tax credit for "green job industries"

5 * * *

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

7 (1) There is hereby authorized a base investment tax credit for certified,
8 verified, and approved expenditures in the state for the construction, repair, or
9 renovation of a state-certified green project, or for investments made by a company
10 or a financier in such project which are, in turn, expended for such construction,
11 repair, or renovation, not to exceed ~~one million~~ eight hundred thousand dollars per
12 state-certified green project. No more than ~~five million~~ four million dollars in tax
13 credits under this Section shall be granted for state-certified green projects per year.

14 * * *

15 (2)(a) Tax credits for state-certified green projects shall be earned only as
16 follows:

17 * * *

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

20 (i) If the total base investment is greater than one hundred thousand dollars
21 and less than or equal to three hundred thousand dollars, a company shall be allowed
22 a tax credit of ~~ten~~ eight percent of the base investment made by that company.

23 (ii) If the total base investment is greater than three hundred thousand dollars
24 and less than or equal to one million dollars, a company shall be allowed a tax credit
25 of ~~twenty~~ sixteen percent of the base investment made by that company.

26 (iii) If the total base investment is greater than one million dollars, a
27 company shall be allowed a tax credit of ~~twenty-five~~ twenty percent of the base
28 investment made by that company.

1 (c) To the extent that base investment is expended on payroll for Louisiana
 2 residents employed in connection with the construction of a state-certified green
 3 project, a company shall be allowed an additional tax credit of ~~ten~~ eight percent of
 4 the payroll; however, if the amount paid to any one person exceeds one million
 5 dollars, the additional credit shall not include any amount paid to that person that
 6 exceeds one million dollars.

7 (d) To the extent that base investment is expended on payroll for Louisiana
 8 residents employed in connection with a state-certified green project, who are
 9 graduates of an institution within the Louisiana Community and Technical College
 10 System or graduates of an apprenticeship program registered with the Louisiana
 11 Workforce Commission, each investor shall be allowed an additional tax credit of
 12 eight-tenths of one percent of such payroll.

13 * * *

14 §6104. Child care expense tax credit

15 A. There shall be a credit against Louisiana individual income tax for child
 16 care expenses in addition to the credit provided for such expenses in R.S. 47:297.4.
 17 Such credit shall be based upon the credit provided for such expenses in R.S.
 18 47:297.4 and shall be based upon the quality rating of the child care facility which
 19 the child attends as follows:

Quality Rating of Child Care	Percentage of the credit in
Facility	R.S. 47:297.4
Five star	200% <u>160%</u>
Four star	150% <u>120%</u>
Three star	100% <u>80%</u>
Two star	50% <u>40%</u>
One star or nonparticipating child care facility	0

28 * * *

1 §6105. Child care provider tax credit

2 There shall be a credit against any Louisiana individual or corporation
3 income tax or corporation franchise tax for a child care provider refundable as
4 provided for in R.S. 47:6108. The tax credit shall be an amount based upon the
5 average monthly number of children who either participate in the Child Care
6 Assistance Program administered by the office of children and family services in the
7 Department of Children and Family Services or who are foster children in the
8 custody of the Department of Children and Family Services, and who are attending
9 a child care facility or facilities operated by the child care provider, multiplied by an
10 amount which shall be based upon the quality rating of each child care facility
11 operated by the child care provider as follows:

Quality Rating of Child Care	Tax Credit Per
Facility	Eligible Child Attending
Five star	\$1,500 <u>\$1,200</u>
Four star	\$1,250 <u>\$1,000</u>
Three star	\$1,000 <u>\$800</u>
Two star	\$750 <u>\$600</u>
One star or nonparticipating facility	0

19 §6106. Credit for child care directors and staff

20 A. There shall be a credit against Louisiana individual income tax refundable
21 as provided for in R.S. 47:6108 for eligible child care directors and eligible child
22 care staff. The tax credit shall be for the following amounts and shall be based upon
23 the following qualifications, but shall be adjusted for inflation as provided for in
24 Subsection C of this Section:

Child Care Director and Child	Tax
Care Staff Qualification	Credit
Level Four Director or Level Four Staff	\$3,000 <u>\$2,400</u>
Level Three Director or Level Three Staff	\$2,500 <u>\$2,000</u>
Level Two Director or Level Two Staff	\$2,000 <u>\$1,600</u>

1 Level One Director or Level One Staff \$~~1,500~~ \$1,200

2 * * *

3 §6107. Business-supported child care

4 A.(1) There shall be a refundable credit against any Louisiana individual or
5 corporation income tax or corporation franchise tax for the eligible business child
6 care expenses supported by a business. The credit shall be the following percentages
7 of such eligible business child care expenses depending upon the quality rating of the
8 child care facility to which the expenses are related or the quality rating of the child
9 care facility the child attends:

10 Quality Rating of Child Care Facility	Percentage of eligible business 11 child care expenses
12 Five star	20% <u>16%</u>
13 Four star	15% <u>12%</u>
14 Three star	10% <u>8%</u>
15 Two star	5% <u>4%</u>
16 One star or nonparticipating facility	0

17 (2) There shall be an additional refundable credit against any Louisiana
18 individual or corporation income tax or corporation franchise tax for the payment by
19 a business of fees and grants to child care resource and referral agencies not to
20 exceed ~~five thousand~~ four thousand dollars per tax year.

21 * * *

22 Section 2. R.S. 51:1787(A)(1)(b) and (2), 1807(C), 1924(B)(1) and (2), 2354(A) and
23 (B), 2399.3(A)(2)(a) and (b), and 3085(B)(1)(a) is hereby amended and reenacted to read as
24 follows:

25 §1787. Incentives

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

1 (1) For either:

2 * * *

3 (b) A refundable investment income tax credit equal to one and ~~one-half~~
4 forty-one-hundredths percent of the amount of qualified expenditures. For purposes
5 of this Paragraph, the term "qualified expenditures" shall mean amounts classified
6 as capital expenditures for federal income tax purposes plus exclusions from
7 capitalization provided for in Internal Revenue Code Section 263(a)(1)(A) through
8 (L), minus the capitalized cost of land, capitalized leases of land, capitalized interest,
9 capitalized costs of manufacturing machinery and equipment to the extent the
10 capitalized manufacturing machinery and equipment costs are excluded from sales
11 and use tax pursuant to R.S. 47:301(3), and the capitalized cost for the purchase of
12 an existing building. When a taxpayer purchases an existing building and capital
13 expenditures are used to rehabilitate the building, the costs of the rehabilitation only
14 shall be considered qualified expenditures. Additionally, a taxpayer shall be allowed
15 to increase their qualified expenditures to the extent a taxpayer's capitalized basis is
16 properly reduced by claiming a federal credit. A taxpayer earns the investment tax
17 credit in the year in which the project is placed in service, but the taxpayer may not
18 claim the investment tax credit until the Department of Economic Development signs
19 the project completion report or such other time as provided for by rule or regulation.
20 The project completion report for the refundable investment tax credit shall adhere
21 to the same requirements found in Subparagraph (a) for the sales and use tax rebate.

22 (2)(a) Except as provided in Subparagraph (b) of this Paragraph, for a ~~two~~
23 ~~thousand five hundred~~ two thousand dollar tax credit per net new employee as
24 determined by the company's average annual employment reported under the
25 Louisiana Employment Security Law during the taxable year for which credit is
26 claimed. This tax credit may be applied to any state income tax liability or any state
27 corporate franchise tax liability, but not liabilities for penalty or interest, due or
28 outstanding at the time the credit is generated. However, credits may be applied to
29 a due or outstanding tax liability attributable to tax years prior to the year in which

1 the credit is generated only if the tax liability is the result of an assessment,
2 administrative, or judicial proceeding by the Department of Revenue after an audit,
3 provided that no further interest or penalty shall be accrued on such tax liability after
4 the credit is generated. If the entire credit cannot be used in the year claimed, the
5 remainder may be applied against the income tax or corporate franchise tax for the
6 succeeding ten taxable years or until the entire credit is used, whichever occurs first.
7 These credits shall also apply to those tax liabilities, but not liabilities for penalty or
8 interest, identified in tax years where existing contracts generate the credit.

9 (b) In lieu of the tax credit provided in Subparagraph (a) of this Paragraph,
10 for aviation or aerospace industries as defined in North American Industry
11 Classification System (NAICS) Code 336411, 336412, 336413, and 332912, for a
12 ~~five thousand~~ four thousand dollar tax credit for each new job created. This tax
13 credit may be applied to any state income tax liability or any state franchise tax
14 liability within a ten-year period from the date that the contract becomes effective
15 or until the entire credit is used, whichever occurs first.

16 (c) Until June 30, 2009, in lieu of the tax credit provided in Subparagraph
17 (a) of this Paragraph, for the motor vehicle parts manufacturing industry as defined
18 in the 3363 NAICS Code Title, for a ~~five thousand~~ four thousand dollar tax credit for
19 each new job created. This tax credit may be applied to any state income tax liability
20 or any state franchise tax liability within a ten-year period from the date that the
21 contract becomes effective or until the entire credit is used, whichever occurs first.
22 As used in this Subparagraph, the term "NAICS" means the North American
23 Industrial Classification System.

24 (d) Until June 30, 2012, in lieu of the tax credit provided in Subparagraph
25 (a) of this Paragraph, for the rubber manufacturing industry as defined by NAICS
26 Code 326211, a ~~five thousand~~ four thousand dollar tax credit for each new job
27 created. This tax credit may be applied to any state income tax liability or any state

1 franchise tax liability within a ten-year period from the date that the contract
2 becomes effective or until the entire credit is used, whichever occurs first.

3 * * *

4 §1807. Incentives

5 * * *

6 C. The board, after consultation with the secretaries of the Department of
7 Economic Development and the Department of Revenue and with the approval of the
8 governor, may enter into contracts to provide for a ~~five thousand~~ four thousand dollar
9 tax credit per net new employee as determined by the company's average annual
10 employment reported under the Louisiana Employment Security Law. This tax
11 credit may be applied to any state income tax liability or any state franchise tax
12 liability and shall be used for the taxable year in which the increase in average
13 annual employment occurred. However, if the entire credit cannot be used in the
14 year earned, the excess of the credit over the aggregate tax liabilities against which
15 the credit can be applied shall constitute an overpayment, as defined in R.S.
16 47:1621(A), and the secretary shall make a refund of such overpayment from the
17 current collections of the taxes imposed by Chapter 1 and Chapter 5 of Subtitle II of
18 Title 47 of the Louisiana Revised Statutes of 1950, as amended. The right to a
19 refund of any such overpayment shall not be subject to the requirement of R.S.
20 47:1621(B).

21 * * *

22 §1924. Income tax credit or premium tax reduction

23 * * *

24 B.(1) The income tax credit shall be calculated by the commissioner as
25 ~~thirty-five~~ twenty-eight percent of the person's cash investment in the certified
26 capital of a certified Louisiana capital company.

1 (2) The total income tax credits granted in any calendar year shall not result
2 in an additional reduction of total income tax revenues of greater than ~~two million~~
3 one million six hundred thousand dollars.

4 * * *

5 §2354. Technology commercialization credit; amount; duration; forfeit

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

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

21 * * *

22 §2399.3. Modernization tax credit

23 A.

24 * * *

25 (2)(a) The credits approved by the department shall be granted at the rate of
26 ~~five~~ four percent of the amount of qualified expenditures incurred by the employer
27 for modernization with the credit divided in equal portions for five years, subject to
28 the limitations provided for in other Paragraphs of this Subsection.

1 (b) The total amount of modernization tax credits granted by the Department
 2 of Economic Development in any calendar year shall not exceed ~~ten~~ eight million
 3 dollars irrespective of the year in which claimed. The department shall by rule
 4 establish the method of allocating available tax credits to applicants, including but
 5 not limited to a first come, first served system, reservation of tax credits for a
 6 specified time period, or other method which the department, in its discretion, may
 7 find beneficial to the program. In the event that the total amount of credits granted
 8 in any calendar year is less than ~~ten~~ eight million dollars, any residual amount of
 9 unused credits shall carry forward for use in subsequent years and may be granted
 10 in addition to the ~~ten~~ eight million dollar limit for each year.

11 * * *

12 §3085. Tax credit

13 * * *

14 B.(1)(a) The tax credit shall be calculated by the commissioner as ~~seventy-~~
 15 ~~five~~ sixty percent of the person's investment for the purposes of earning tax credits.

16 * * *

17 Section 3. This Act shall become effective on July 1, 2015.

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)]

HB 629 Original

2015 Regular Session

Jackson

Abstract: Reduces income and corporation franchise tax credits by 20%.

Present law provides for the following income and corporation franchise tax credits:

- (1) R.S. 25:1226.4 Atchafalaya Trace Heritage Area Development Zone tax credit
- (2) R.S. 47:34 Corporation tax credit
- (3) R.S. 47:35 Neighborhood assistance tax credit
- (4) R.S. 47:37 Credit for contributions to educational institutions
- (5) R.S. 47:227 Offset against tax
- (6) R.S. 47:265 Credits arising from refunds by utilities

- (7) R.S. 47:287.664 Credits arising from refunds by utilities
- (8) R.S. 47:287.748 Corporation tax credit; re-entrant jobs credit
- (9) R.S. 47:287.749 Jobs credit
- (10) R.S. 47:287.752 Credit for employment of first-time nonviolent offenders
- (11) R.S. 47:287.753 Neighborhood assistance tax credit
- (12) R.S. 47:287.755 Credit for contributions to educational institutions
- (13) R.S. 47:287.758 Credit for bone marrow donor expense
- (14) R.S. 47:287.759 Credit for employee and dependent health insurance coverage
- (15) R.S. 47:297 Reduction to tax due
- (16) R.S. 47:297.2 Credit for physically or mentally incapable dependents
- (17) R.S. 47:297.4 Credit for child care expenses
- (18) R.S. 47:297.6 Credit for rehabilitation of residential structures
- (19) R.S. 47:297.8 Earned income tax credit
- (20) R.S. 47:297.9 Certain military servicemembers and dependents hunting and fishing licenses
- (21) R.S. 47:6004 Employer Credit
- (22) R.S. 47:6005 Qualified new recycling manufacturing equipment and service contracts
- (23) R.S. 47:6006 Credits for local inventory taxes
- (24) R.S. 47:6006.1 Credit for taxes paid for vessels in Outer Continental Shelf Lands Act Waters
- (25) R.S. 47:6007 Motion picture investor tax credit
- (26) R.S. 47:6008 Credit for donations to assist playgrounds in economically depressed areas
- (27) R.S. 47:6009 Louisiana Basic Skills Training Tax Credit
- (28) R.S. 47:6012 Employer tax credits for donations of materials, equipment, advisors, or instructors
- (29) R.S. 47:6013 Credit for donations to public schools
- (30) R.S. 47:6014 Credit for property taxes paid by certain telephone companies
- (31) R.S. 47:6015 Research and development tax credit
- (32) R.S. 47:6016.1 Louisiana New Markets Jobs Act
- (33) R.S. 47:6017 Credit for expenses paid by economic development corporations

- (34) R.S. 47:6018 Credit for purchasers from "PIE contractors"
- (35) R.S. 47:6019 Credit for rehabilitation of historic structures (commercial)
- (36) R.S. 47:6020 Angel Investor Tax Credit Program
- (37) R.S. 47:6022 Digital interactive media and software tax credit
- (38) R.S. 47:6023 Sound recording investor tax credit
- (39) R.S. 47:6025 Credit for La. Citizens Property Insurance Corp. assessment
- (40) R.S. 47:6026 Cane River heritage tax credit
- (41) R.S. 47:6030 Solar energy systems tax credit
- (42) R.S. 47:6032 Credit for certain milk producers
- (43) R.S. 47:6034 Musical and theatrical production income tax credit
- (44) R.S. 47:6035 Credit for conversion of vehicles to alternative fuel usage
- (45) R.S. 47:6036 Ports of Louisiana tax credit
- (46) R.S. 47:6037 Credit for "green job industries"
- (47) R.S. 47:6104 Child care expense tax credit
- (48) R.S. 47:6105 Child care provider tax credit
- (49) R.S. 47:6106 Credit for child care directors and staff
- (50) R.S. 47:6107 Business-supported child care
- (51) R.S. 51:1787 Incentives (Enterprise Zone)
- (52) R.S. 51:1807 Incentives (Urban Revitalization)
- (53) R.S. 51:1924 Income tax credit or premium tax reduction
- (54) R.S. 51:2354 Technology commercialization credit
- (55) R.S. 51:2399.3 Modernization tax credit

Present law (R.S. 47:34) 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 equal to the number of new employees multiplied by varying amounts.

Proposed law retains present law but reduces 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 \$200 per new employee who is a resident of a neighborhood with an employment rate of ten percent or more per taxable year.

Present law (R.S. 47:35) 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 reduces the maximum credit amount from \$250,000 to \$200,000.

Present law (R.S. 47:37) 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 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 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. 47:227) provides for an offset for every insurance company against any tax incurred for taxes on premiums.

Proposed law retains present law but reduces the amount of the offset from any tax incurred to 80% of the taxes incurred on premiums.

Present law (R.S. 47:265 and 287.664) provides for an income tax credit for utility companies against Louisiana income tax for amounts the utility company may have refunded to a customer pursuant to an order of the court or regulatory agency as a result of the denial of a proposed rate increase. The credit may be taken in lieu of a deduction from gross income if the deduction would result in a net loss. The credit is equal to the amount of the income tax increase had the amounts refunded been included in the gross income.

Proposed law retains present law but reduces the amount of the credit from the amount of the income tax increase to 80% of the income tax increase.

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 equal to the number of new employees multiplied by varying amounts.

Proposed law retains present law but decreases 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 \$200 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. 47:287.759) provides for an income tax credit against the income tax for the period in which the credit was earned for certain contractors or subcontractors who contract to do public work. Present law allows a credit of 5% on 40% of the amount of the contract to do public work if the contractor or subcontractor offers 85% of their full-time employees health insurance coverage and pays 75% of the total premium for the health insurance coverage for each employee and not less than 50% for each dependent. Further limits the amount of the credit to not more than \$3 million per year.

Proposed law retains present law but reduces the amount of the credit allowed from 5% to 4% and reduces the maximum credit amount from \$3 million to \$2.4 million.

Present law (R.S. 47:297(A)) provides for a tax credit of \$100 for any taxpayer when the taxpayer, taxpayer's spouse, or dependent is deaf, blind, mentally incapacitated, or has lost the use of one or more limbs.

Proposed law retains present law but reduces the amount of the credit from \$100 to \$80.

Present law (R.S. 47:297(B)) provides for a tax credit for the elderly, contributions to candidates for public office, investment credits, credits for foreign tax, work incentive credits, jobs credits, and residential credits. The amount of the credit is the lesser of \$25 or 10% of the same credit allowed on the federal income tax return for the same tax year.

Proposed law retains present law but reduces the amount of the credit from the lesser of \$25 or 10% of the credit allowed on the federal return to the lesser of \$20 or 8% of the credit allowed on the federal return.

Present law (R.S. 47:297(C)) provides for an income tax credit for individuals in an amount equal to the state gasoline and motor fuels tax and special fuels taxes paid to operate or propel a commercial fishing boat.

Proposed law retains present law but reduces the amount of the credit from 100% of the amount of the gasoline, motor fuels, and special fuels taxes to 80%.

Present law (R.S. 47:297(D)) provides a \$25 income tax credit per child for individual taxpayers for educational expenses.

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

Present law (R.S. 47:297(F)) provides an income tax credit for individual taxpayers in an amount equal to 33.3% of the amount contributed to a family responsibility program under the provisions of present law. Further limits the credit to \$200 per year.

Proposed law retains present law but reduces the amount of the credit from 33.3% to 27% of the contribution and reduces the maximum credit from \$200 to \$160.

Present law (R.S. 47:297(G)) provides for an income tax credit for taxpayers who purchase certain environmental equipment designed to recover or recycle chloroflourocarbons used as refrigerants in commercial, home, and automobile air-conditioning systems, refrigeration units, and industrial cooling applications. The credit allowed is 20% of the purchase price of the equipment, or if the equipment is financed, 20% of the original purchase price paid in that tax year.

Proposed law retains present law but reduces the amounts of the credit from 20% of the purchase price to 16%.

Present law (R.S. 47:297(H)) provides for an income tax credit for certain medical doctors and dentist who practice in designated rural areas. The credit allowed is \$5,000 per taxable year up to a maximum of 5 years for each taxpayer meeting the criteria.

Proposed law retains present law but reduces the amount of the credit from \$5,000 to \$4,000 per taxable year.

Present law (R.S. 47:297(I)) 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. 47:297(J)) provides an income tax credit for individual taxpayers for certain educational expenses associated with attending college. The amount of the credit is equal to the least of the tax due, or 100% of the educational expenses, or \$750.

Proposed law retains present law but reduces the amount of the credit from the least of the tax due, 100% of the education expenses, or \$750 to the least of the tax due, 80% of the education expenses, or \$600.

Present law (R.S. 47:297(L)) provides an income tax credit for qualified taxpayers for the purchase of a bulletproof vest. Requires the qualified taxpayer to be a member of certain law enforcement. The amount of the credit is the lesser of the full purchase price including applicable taxes paid by the taxpayer or \$100.

Proposed law retains present law but reduces the amount of the credit from the lesser of the full purchase price including applicable taxes or \$100 to 80% of the full purchase price including applicable taxes or \$80.

Present law (R.S. 47:297(M)) provides for an income tax credit against individual income tax for amounts paid as premiums for eligible long-term care insurance. The amount of the credit is equal to 10% of the total amount of premiums paid annually.

Proposed law retains present law but reduces the amount of the credit from 10% of the total amount of premiums to 8%.

Present law (R.S. 47:297(N)) provides for an income tax credit against individual income tax equal to certain amounts incurred by a taxpayer for the taxpayer's expenses because of a living organ donation by the taxpayer or taxpayer's spouse. The maximum amount of the credit allowed is \$10,000.

Proposed law retains present law but reduces the maximum amount of the credit from \$10,000 to \$8,000.

Present law (R.S. 47:297(P)) provides for an income tax credit against individual income tax for inclusion of certain accessible and barrier-free design elements in the construction of a new one- or two- family dwelling. The amount of the credit is the lesser of \$1,000 or the total tax liability of the taxpayer.

Proposed law retains present law but reduces the amount of the credit from the lesser of \$1,000 or the total tax liability of the taxpayer to \$800 or 80% of the total tax liability of the taxpayer.

Present law (R.S. 47:297.2) provides for an income tax credit for persons who maintain a household that includes one or more dependents who are physically or mentally incapable of caring for themselves. The amount of the credit is equal to the applicable percentage of employment-related expenses allowable pursuant to Section 21 of the IRC.

Proposed law retains present law but reduces the amount of the credit from the applicable percentage of the allowable employment-related expenses to 80% of the applicable percentage of the allowable employment-related expenses.

Present law (R.S. 47:297.4) provides for an income tax credit for individual taxpayers for certain child care expenses for which the individual is eligible for a federal income tax credit for the same year. The credit is allowed at varying amounts.

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

- (1) For taxpayers whose federal adjusted gross income is equal to or less than \$25,000, from 50% to 40% of the unreduced federal credit.
- (2) For taxpayers whose federal adjusted gross income is greater than \$25,000, but less than or equal to \$35,000, from 30% to 24% of the federal credit allowed.
- (3) For taxpayers whose federal adjusted gross income is greater than \$35,000, but less than \$60,000, from 10% to 8% of the federal credit allowed.

Present law (R.S. 47:297.6) provides for an income tax credit for individual income tax 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 certain specific locations. The amount of the credit is equal to 25% of the eligible costs and expenses of a rehabilitation. The maximum credit allowed is \$25,000. Present law further authorizes a credit of 50% of the eligible costs and expenses of a rehabilitation of a vacant and blighted owner-occupied residential structure that is at least 50 years old. Present law provides an annual program cap of \$10 million.

Proposed law retains present law but reduces the credit amount from 25% to 20% of eligible costs and expenses and reduces the credit amount from 50% to 40% of eligible costs and expenses for the rehabilitation of the qualified vacant and blighted residential structures. Further reduces the maximum credit allowed from \$25,000 to \$20,000 and reduces the program cap from \$10 million to \$8 million.

Present law (R.S. 47:297.8) provides for an income tax credit for individual income tax in an amount equal to 3.5% of the federal earned income tax credit for which the individual is eligible.

Proposed law retains present law but reduces the amount of the credit from 3.5% to 2.8%.

Present law (R.S. 47:297.9) provides for an individual income tax credit for the amount paid by an active or reserve military service member for a La. noncommercial hunting or fishing license.

Proposed law retains present law but reduces the amount of the credit from 100% of the amount of the license to 80%.

Present law (R.S. 47:6004) provides for an income and corporation franchise tax credit for the employment of each person and participant of Family Independence Work Program in a newly created full-time job. The amount of the credit is \$750 and is allowed for the taxable period during which the new employee has completed one year of full-time service with the taxpayer or against the corporation franchise tax for the taxable period following the taxable period during which the new employee has completed one year of full-time service with the taxpayer.

Proposed law retains present law but reduces the amount of the credit from \$750 to \$600.

Present law (R.S. 47:6005) provides an income tax or corporation franchise tax credit for taxpayers who purchase qualified new recycling manufacturing or process equipment or qualified service contracts to be used or performed exclusively in the state. The amount of the credit is 20% of the cost of the equipment or service contract less the amount of any other tax credit received for the purchase of the equipment or contract. Further provides an annual program cap of \$5 million.

Proposed law retains present law but reduces the amount of the credit from 20% to 16% and reduces the annual program cap from \$5 million to \$4 million.

Present law (R.S. 47:6006) provides for an income or corporation franchise tax credit for ad valorem taxes paid to political subdivisions on inventory held by manufacturers, distributors, and retailers and on natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities. The amount of the credit is equal to 100% of the inventory taxes paid to the political subdivision.

Proposed law retains present law but reduces the amount of the credit from 100% of ad valorem taxes paid to 80%.

Present law (R.S. 47:6006.1) provides for an income or corporation franchise tax credit for ad valorem taxes paid without protest to political subdivisions on vessels in Outer Continental Shelf Lands Act Waters. The amount of the credit is equal to 100% of the ad valorem taxes paid to the political subdivision.

Proposed law retains present law but reduces the amount of the credit from 100% to 80%.

Present law (R.S. 47:6007) provides for an income tax credit for La. taxpayers for investment in state-certified productions earned at the time expenditures are made by a motion picture production company in a state-certified production. The amount of the credit is equal to 30% of the base investment made by the investor if the total base investment is more than \$300,000. Additionally provides for a credit equal to 5% of base investment expended on payroll for La. residents employed in connection with a state-certified production. However, this credit does not apply to the payroll of any one person that exceeds \$1 million.

Proposed law retains present law but reduces the amount of the credit from 30% of the investor's base investment to 24% and reduces the credit for payroll for La. residents from 5% to 4%.

Present law (R.S. 47:6008) provides for an income or corporation franchise tax credit for qualified donations made to qualified playgrounds. The amount of the credit is equal to the lesser of \$1,000 or one-half of the value of the cash, equipment, goods, or services donated.

Proposed law retains present law but reduces the amount of the credit from the lesser of \$1,000 or 50% of the value of the cash, equipment, goods, or services donated to the lesser of \$800 or 40% of the value of the cash, equipment, goods, or services donated.

Present law (R.S. 47:6009) provides for an income or corporation franchise tax credit for a La. business or industry that supports and encourages employee basic skills training by satisfying criteria established in present law and that submit proper and complete applications. The amount of the credit is \$250 per participating employee, with the total of all basic skills training credits not to exceed \$30,000 for any single business or industry enterprise in a particular tax year.

Proposed law retains present law but reduces the amount of the credit from \$250 per participating employee to \$200 and reduces the total maximum amount of all basic skills training credits from \$30,000 to \$24,000 for any single business or industry in a particular tax year.

Present law (R.S. 47:6012) provides for an income and corporation franchise tax credit for employers within the state to donate materials, equipment, or instructors to public training providers registered with the La. Workforce Commission, or community colleges to assist in the development of training programs designed to meet industry needs. The amount of the credit is equal to 50% of the value of the donated materials, equipment, or services rendered by the instructor.

Proposed law retains present law but reduces the amount of the credit from 50% of the value of the donated materials, equipment, or services rendered by the instructor to 40%.

Present law (R.S. 47:6013) provides for a corporate income and corporation franchise tax credit for qualified donations made to a public school. The amount of the credit is equal to 40% of the appraised value of the qualified donation.

Proposed law retains present law but reduces the amount of the credit from 40% of the appraised value of the qualified donation to 32%.

Present law (R.S. 47:6014) provides for an income and corporation franchise tax credit for ad valorem taxes paid to political subdivisions by a telephone company for the company's public service properties. The amount of the credit is equal to 40% of the aggregate ad valorem taxes paid by the telephone company to the political subdivision.

Proposed law retains present law but reduces the amount of the credit from 40% of the aggregate ad valorem taxes paid by the telephone company to 32%.

Present law (R.S. 47:6015) provides for an income and corporation franchise tax credit for taxpayers who employ persons in the state and claims a federal income tax credit for increasing research activities. The credit is allowed at varying amounts.

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

- (1) For a taxpayer who employs 100 persons or more, from 8% to 6%.
- (2) For a taxpayer who employs 50-99 persons, from 20% to 16%.
- (3) For a taxpayer who employs less than 50 persons, from 40% to 32%.

Present law (R.S. 47:6016.1) provides for the La. New Markets Jobs Act for purposes of a tax credit that may be claimed against insurance premium tax. Eligibility is based on the investment of private capital in a low-income community business in La. The annual program cap is \$55 million. The amount of the credit is authorized in varying amounts based on a certain percentage multiplied by the amount of the qualified investment. The percentage multiplier is based on the credit allowance date. The credit allowance dates are based on the initial date of the qualified investment and each of the six successive anniversary dates of the initial date.

Proposed law retains present law but reduces the annual program cap from \$55 million to \$44 million and reduces the amount of the credit from 14% to 11% of the qualified investment for the 1st and 2nd credit allowance dates and reduces the amount of the credit from 8.5% to 7% of the qualified investment for the 3rd and 4th credit allowance dates.

Present law (R.S. 47:6017) provides for an income or corporation franchise tax credit for the filing fee paid to the La. State Bond Commission. The amount of the credit is equal to the amount of the filing fee paid.

Proposed law retains present law but reduces the amount of the credit from 100% of the amount of the filing fee to 80%.

Present law (R.S. 47:6019) provides for an income or corporation franchise tax credit for the amount of eligible costs and expenses incurred during the rehabilitation of a historic structure located in a downtown development district or a cultural district. The credit shall not exceed 25% of the eligible costs and expenses and no taxpayer shall claim more than \$5 million of credit annually for any number of structures rehabilitated within a particular downtown development or cultural district.

Proposed law retains present law but reduces the amount of the credit from an amount not to exceed 25% of the eligible costs and expenses to an amount not to exceed 20% and reduces the amount a taxpayer is able to claim for any number of structures rehabilitated within a particular downtown development district or cultural district from \$5 million to \$4 million.

Present law (R.S. 47:6020) provides for an income tax credit for qualifying individual or entities that invest in a La. Entrepreneurial Business. The credit is equal to 35% of the qualified investment and the total amount of tax credits granted in any calendar tax year by the department shall not exceed \$5 million. Present law further limits qualifying investments by an investor to those that do not exceed \$1 million per year per business and to \$2 million total per business.

Proposed law retains present law but reduces the amount of the credit from 35% of the qualified investment to 28% and reduces the total amount of tax credits that may be granted from \$5 million to \$4 million in any calendar tax year. Proposed law further reduces the maximum qualifying investment by an investor from \$1 million to \$800,000 and the maximum investment per business from \$2 million to \$1.6 million.

Present law (R.S. 47:6022) provides for an income or franchise tax credit for La. taxpayers for investment in state-certified productions for digital interactive media earned at the time expenditures are made on a state-certified production. The amount of the credit is equal to 25% of the base investment made by the investor. Additionally provides for a credit equal to 10% of base investment expended on payroll for La. residents employed in connection with a state-certified production.

Proposed law retains present law but reduces the amount of the credit from 25% of the base investment to 20% of the base investment and from 10% of the base investment expended on payroll for La. residents to 8% of the base investment expended on payroll for La. residents.

Present law (R.S. 47:6023) provides for an income or franchise tax credit for La. taxpayers for investment in state-certified productions for sound recordings earned at the time expenditures are made on a state-certified production. The amount of the credit is equal to 25% of the base investment made by the investor in excess of \$15,000, or in excess of \$5,000 for investors who are La. residents. Additionally provides for a credit equal to 10% of base investment expended on payroll for La. residents employed in connection with a state-certified production. Present law provides an annual program cap of \$3 million.

Proposed law retains present law but reduces the amount of the credit from 25% of the base investment to 20% of the base investment and reduces the annual program cap from \$3 million to \$2.4 million.

Present law (R.S. 47:6025) provides an income tax credit against La. income tax for the amount of surcharges, market equalization charges, or assessments paid by a taxpayer for the La. Citizens Property Insurance Corporation assessments due to Hurricanes Katrina and Rita.

Proposed law retains present law but reduces the amount of the credit from the full amount of surcharges, market equalization charges, or assessments to 80% of the amount of surcharges, market equalization charges, or assessment.

Present law (R.S. 47:6026) provides for an income or corporation franchise tax credit for certain heritage-based cottage industries located or to be located in the Cane River Heritage Area Development Zone. The credit is equal to an amount up to \$1,500 per contract award and an additional \$1,500 credit for each new employee hired during the taxable year for which the credit is claimed.

Proposed law retains present law but reduces the amount of the credit from \$1,500 per contract award to \$1,200 and reduces the amount of the credit for each new employee hired from \$1,500 to \$1,200.

Present law (R.S. 47:6030) provides for an income tax credit for the cost of purchase and installation of a wind or solar energy system, or both, by a taxpayer at his La. residence, by the owner of a residential rental apartment project, or by a taxpayer who purchases and installs a system in a residence or a residential rental apartment project located in La.

Present law limits one credit per system. The amount of the credit is equal to 50% of the first \$25,000 of the cost of each wind energy system or solar energy system, including installation costs, purchased and installed on or after Jan. 1, 2008.

Proposed law retains present law but reduces the amount of the credit from 50% of the first \$25,000 of the cost to 40%.

Present law (R.S. 47:6032) provides for a refundable income and corporation franchise tax credit for a resident taxpayer engaged in the business of producing milk for sale. The amount of the credit is based on the production and sale of milk below the announced production price over a calendar year in accordance with a schedule provided in present law. Present law caps the total aggregate amount of credits for all producers at \$2.5 million per calendar year and limits the credit allowed for each producer at varying amounts.

Proposed law retains present law but reduces the total aggregate amount of credits for all producers from \$2.5 million per calendar year to \$2 million per calendar year. Further reduces the credits allowed for each producer as follows:

- (1) From \$5,000 to \$4,000 tax credit for up to 1 million pounds of milk produced.
- (2) From \$10,000 to \$8,000 tax credit for 1,000,001 to 1.5 million pounds of milk produced.
- (3) From \$15,000 to \$12,000 tax credit for 1,500,001 to 2 million pounds of milk produced.
- (4) From \$20,000 to \$16,000 tax credit for 2,000,001 to 2.5 million pounds of milk produced.
- (5) From \$25,000 to \$20,000 tax credit for 2,500,001 to 3 million pounds of milk produced.
- (6) From \$30,000 to \$24,000 tax credit for greater than 3 million pounds of milk produced.

Present law (R.S. 47:6034) provides for an individual or corporate income tax credit for qualified production expenditures on investments in a state-certified musical or theatrical production or infrastructure project. For state-certified higher education musical or theatrical infrastructure projects that receive initial certification prior to January 1, 2018, a base investment credit may be earned for expenditures made in the state on or before January 1, 2022 for the construction, repair, or renovation of a new state-certified higher education musical or theatrical facility infrastructure project. No more than \$10 million in tax credits are allowed per project and no more than \$60 million is allowed for all state-certified higher education musical or theatrical infrastructure projects. The credit for an investor is granted in varying amounts.

Proposed law retains present law but reduces the per project cap from \$10 million to \$8 million and the program cap from \$60 million to \$48 million. Further reduces the credit amount for investors as follows:

- (1) From 10% to 8% of the investor's base investment if the total base investment is greater than \$100,000 and less than or equal to \$300,000.
- (2) From 20% to 16% of the investor's base investment if the total base investment is greater than \$300,000 and less than or equal to \$1 million.
- (3) From 25% to 20% of the investor's base investment if the total base investment is greater than \$1 million.

Present law (R.S. 47:6035) provides for an income tax credit for qualified clean-burning motor vehicle fuel property purchased and installed on certain motor vehicles. The amount of the credit is equal to 50% of the cost of the qualified clean-burning motor vehicle fuel property.

Proposed law retains present law but reduces the amount of the credit from 50% to 40%.

Present law (R.S. 47:6036) provides for an income and corporate franchise tax credit for the total capital costs of a project sponsored or undertaken by a public port and investing companies that have a capital cost of at least \$5 million dollars and at which the predominant trade or business activity conducted will constitute industrial, warehousing, or port and harbor operations and cargo handling, including any port or port and harbor activity. The amount of the investor tax credit is equal to the total amount of capital costs of the project which shall be taken at 5% per tax year. The amount of the import-export cargo tax credit is equal to the product of multiplying \$5 by the taxpayer's number of tons of qualified cargo for the taxable year that exceeds the precertification tonnage.

Proposed law retains present law but reduces the amount of the investor tax credit from the total amount of capital costs of the project to 80% of the amount of capital costs of the project. Further reduces the amount of the import-export cargo tax credit from \$5 multiplied by the taxpayer's number of tons of qualified cargo to \$4.00 multiplied by the taxpayer's number of tons of qualified cargo.

Present law (R.S. 47:6037) provides an individual income or corporate income tax credit for approved expenditures in the state for the construction, repair, or renovation of a state-certified green project. Present law further provides a \$1 million per project cap and a \$5 million annual program cap. The amount of the credit allowed varies.

Present law provides for an additional tax credit of 10% of the base investment expended on payroll for La. residents employed in connection with the construction of a state-certified green project. The additional 10% tax credit for payroll for La. residents does not apply to that amount in excess of \$1 million in payroll made to a single La. resident. Further allows an additional 1% of the base investment expended on payroll for La. residents who are graduates of certain La. programs.

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

- (1) From 10% to 8% of the investor's base investment if the total base investment is greater than \$100,000 and less than or equal to \$300,000.
- (2) From 20% to 16% of the investor's base investment if the total base investment is greater than \$300,000 and less than or equal to \$1 million.
- (3) From 25% to 20% of the investor's base investment if the total base investment is greater than \$1million.

Proposed law further reduces the additional credit for payroll of La. residents from 10% to 8% and reduces the additional credit for payroll for La. residents who are graduates from certain La. programs from 1% to 0.8%.

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.

Present law (R.S. 47:6107) provides for a refundable income tax or corporation franchise tax credit for eligible business child care expenses supported by a business. The amount of the credit shall be based on a percentage of eligible business child care expenses depending upon the quality rating of the child care facility to which the expenses are related or the quality rating of the child care facility the child attends. Present law provides for an additional refundable income or corporation franchise tax for the payment by a business of fees and grants to child care resource and referral agencies not to exceed \$5,000 per tax year.

Proposed law retains present law but reduces the maximum amount of the additional refundable income or corporation franchise tax from \$5,000 to \$4,000. Further reduces the amount of the credit as follows:

- (1) From 20% of eligible business child care expenses to 16% for 5 star facilities.
- (2) From 15% of eligible business child care expenses to 12% for 4 star facilities.
- (3) From 10% of eligible business child care expenses to 8% for 3 star facilities.
- (4) From 5% of eligible business child care expenses to 4% for 2 star facilities.

Present law (R.S. 51:1787) provides for a refundable investment income tax credit for state income or corporate franchise tax liability for qualified expenditures made by a taxpayer in the economic development of qualified enterprise zones. The amount of the credit is 1.5% of the amount of the qualified expenditure. An additional credit of \$2,500 is allowed for each net new employee. A \$5,000 credit for each new job created is allowed for certain specific industries in lieu of this \$2,500 credit.

Proposed law retains present law but reduces the amount of the credit for qualified expenditures from 1.5% to 1.2% and reduces the amount of the additional credit for each net new employee from \$2,500 to \$2,000. Further reduces the additional credits for specific industries from \$5,000 for each new job created to \$4,000.

Present law (R.S. 51:1807) provides for an income or franchise tax credit for businesses located in an urban revitalization zone. The credit is equal to \$5,000 per net new employee. The credit received pursuant to present law is in lieu of any incentive received under the Enterprise Zone Program.

Proposed law retains present law but reduces the amount of the credit from \$5,000 per net new employee to \$4,000.

Present law (R.S. 51:1924) provides an income tax credit for a taxpayer who invests in the certified capital of a certified La. capital company. The credit is equal to 35% of the taxpayer's cash investment.

Proposed law retains present law but reduces the amount of the credit from 35% to 28%.

Present law (R.S. 51:2354) provides an income and corporation franchise tax credit for investments by the taxpayer in commercialization costs for certain business locations. The amount of the credit is equal to 40% of the amount of money invested. Further provides a credit for qualified new direct jobs. The credit is equal to 5% multiplied by the gross payroll of the qualified new direct jobs.

Proposed law retains present law but reduces the credit for commercialization costs from 40% of the amount invested to 32% of the amount invested and reduces the amount of the credit for qualified new direct jobs from 5% to 4% multiplied by the gross payroll of the qualified new direct jobs.

Present law (R.S. 51:2399.3) provides for an income or corporation franchise tax credit for amounts of qualified expenditures incurred by an employer for modernization. The amount of the credit is equal to 5% of the amount of qualified expenditures. Further provides an annual program cap of \$10 million.

Proposed law retains present law but reduces the amount of the credit from 5% to 4% and reduces the annual program cap from \$10 million to \$8 million.

Effective July 1, 2015.

(Amends R.S. 25:1226.4(C)(1) and (2), R.S. 47:34(B)(1), 35(C), 37(C), 227, 265, 287.664, 287.748(B)(1), 287.749(B), 287.752(B)(1), 287.753(C), 287.755(C), 287.758(B), 287.759(A) and (C)(3), 297(A), (B), (C)(1), (D)(2), (F), (G)(2), (H)(1), (I)(2), (J)(4), (K)(2)(a), (L)(3), (M)(1), (N)(1) and (2), and (P)(2), 297.2, 297.4(A)(1)(a)(ii), (2), (3), and (4), 297.6(A)(1) and (5), 297.8(A)(intro. para.), 297.9(A), 6004(A)(2), the heading of 6005, 6005(C)(1) and (D)(1), 6006(D)(5), 6006.1(E)(3), 6007(C)(1)(c)(intro. para.), 6008(A), 6009(D)(1), 6012(B), 6013(A), 6014(A), 6015(C)(2) and (D), 6016.1(B)(1) and (E)(5), 6017(A), 6018(C), 6019(A)(1)(a), 6020(D)(1) and (2)(a), 6022(D)(2)(intro. para.), 6023(C)(1) and (3)(a), 6025(A)(1), 6026(D)(2) and (3), 6030(B)(1) and (2)(a), 6032(C) and (F), 6034(C)(1)(a)(ii)(bb), (C)(1)(a)(iii), (C)(1)(c), and (d), 6035(C)(1), 6036(C)(1)(b) and (I)(2)(a)(i), 6037(B)(1) and (2)(b), (c), and (d), 6104(A), 6105, 6106(A), and 6107(A), and R.S. 51:1787(A)(1)(b) and (2), 1807(C), 1924(B)(1) and (2), 2354(A) and (B), 2399.3(A)(2)(a) and (b), and 3085(B)(1)(a); Adds R.S. 47:297.4(A)(1)(a)(iii), 6006(D)(6), 6006.1(E)(4), 6007(C)(1)(c)(iii) and (d), and 6022(D)(3))