

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. 47:33(A)(introductory paragraph),

3 34(B)(1), 35(C), 37(C), 265, 287.664, 287.748(B)(1), 287.749(B), 287.752(B)(1),

4 287.753(C), 287.755(C), 287.758(B), 287.759(A) and (C)(3), 297(A), (B), (C)(1),

5 (D)(2), (F), (G)(2), (H)(1), (I)(2), (J)(4), (K)(2)(a), (L)(3), (M)(1), (N)(1) and (2), and

6 (P)(2), 297.2, 297.6(A)(1) and (5), 297.9(A), 6004(A)(2), the heading of 6005,

7 6005(C)(1) and (D)(1), 6006(D)(5), 6006.1(E)(3), 6007(C)(1)(c)(introductory

8 paragraph), 6008(A), 6009(D)(1), 6012(B), 6013(A), 6015(C)(2) and (D), 6017(A),

9 6018(C), 6020(D)(1) and (2)(a), 6022(D)(2)(introductory paragraph), 6023(C)(1) and

10 (3)(introductory paragraph), 6025(A)(1), 6026(D)(2) and (3), 6030(B)(1) and (2)(a),

11 6032(C) and (F), 6034(C)(1)(a)(ii)(bb), (C)(1)(a)(iii), (C)(1)(c), and (d), 6035(C)(1)

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

13 R.S. 51:1807(C), 2354(A) and (B), 2399.3(A)(2)(a) and (b), and 3085(B)(1)(a) and

14 to enact R.S. 47:297.4(A)(1)(a)(iii), 6006(D)(6), 6006.1(E)(4), 6007(C)(1)(c)(iii) and

15 (d), and 6022(D)(3), relative to income and corporate franchise tax credits; to reduce

16 the amount of tax credits; to provide for an effective date; and to provide for related

17 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. 47:33(A)(introductory paragraph), 34(B)(1), 35(C), 37(C), 265,  
 2 287.664, 287.748(B)(1), 287.749(B), 287.752(B)(1), 287.753(C), 287.755(C), 287.758(B),  
 3 287.759(A) and (C)(3), 297(A), (B), (C)(1), (D)(2), (F), (G)(2), (H)(1), (I)(2), (J)(4),  
 4 (K)(2)(a), (L)(3), (M)(1), (N)(1) and (2), and (P)(2), 297.2, 297.6(A)(1) and (5), 297.9(A),  
 5 6004(A)(2), the heading of 6005, 6005(C)(1) and (D)(1), 6006(D)(5), 6006.1(E)(3),  
 6 6007(C)(1)(c)(introductory paragraph), 6008(A), 6009(D)(1), 6012(B), 6013(A), 6015(C)(2)  
 7 and (D), 6017(A), 6018(C), 6020(D)(1) and (2)(a), 6022(D)(2)(introductory paragraph),  
 8 6023(C)(1) and (3)(introductory paragraph), 6025(A)(1), 6026(D)(2) and (3), 6030(B)(1)  
 9 and (2)(a), 6032(C) and (F), 6034(C)(1)(a)(ii)(bb), (C)(1)(a)(iii), (C)(1)(c), and (d),  
 10 6035(C)(1) and (D), 6036(C)(1)(b) and (I)(2)(a)(i), and 6037(B)(1) and (2)(b), (c), and (d)  
 11 are hereby amended and reenacted and R.S. 47:297.4(A)(1)(a)(iii), 6006(D)(6),  
 12 6006.1(E)(4), 6007(C)(1)(c)(iii) and (d), and 6022(D)(3) are hereby enacted to read as  
 13 follows:

14 §33. Credit for taxes paid in other states

15 A. Subject to the following conditions, resident individuals shall be allowed  
 16 a credit against the taxes imposed by this Chapter for eighty percent of the net  
 17 income taxes imposed by and paid to another state on income taxable under this  
 18 Chapter, provided that:

19 \* \* \*

20 §34. Corporation tax credit

21 \* \* \*

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

- 26 (a) ~~one hundred~~ eighty dollars per eligible new employee per taxable year.
- 27 (b) ~~two hundred~~ one hundred sixty dollars per eligible new economically  
 28 disadvantaged employee per taxable year.

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

4 \* \* \*

5 §35. Neighborhood assistance tax credit

6 \* \* \*

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

17 \* \* \*

18 §37. Tax credit for contributions to educational institutions

19 \* \* \*

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

1 capriciously, or unreasonably discriminates against any person because of race,  
2 religion, ideas, beliefs, or affiliations.

3 \* \* \*

4 §265. Credits arising from refunds by utilities

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

17 \* \* \*

18 §287.664. Credits arising from refunds by utilities

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

1 refund, computed without the credit, then the excess of this credit may be carried  
2 over the following two taxable years.

3 \* \* \*

4 §287.748. Corporation tax credit; re-entrant jobs credit

5 \* \* \*

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

9 \* \* \*

10 §287.749. Jobs credit

11 \* \* \*

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

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

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

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

21 \* \* \*

22 §287.752. Tax credit for employment of first-time nonviolent offenders

23 \* \* \*

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

26 \* \* \*

27 §287.753. Neighborhood assistance tax credit

28 \* \* \*

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

12 \* \* \*

13 §287.755. Tax credit for contributions to educational institutions

14 \* \* \*

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

27 \* \* \*

28 §287.758. Tax credit for bone marrow donor expense

29 \* \* \*

1           B. 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 or who actually  
5           become bone marrow donors.

6                                   \*       \*       \*

7           §287.759. Tax credit for employee and dependent health insurance coverage

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

18                                   \*       \*       \*

19          C.

20                                   \*       \*       \*

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

23                                   \*       \*       \*

24          §297. Reduction to tax due

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



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

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

13   \*         \*         \*

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

17   \*         \*         \*

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

20   \*         \*         \*

21           F. There shall be allowed to an individual, as a credit against the tax imposed  
22 by this Chapter for the taxable year, an amount equal to ~~thirty-three and one-third~~  
23 twenty-seven percent of the amount contributed in a family responsibility program  
24 under the provisions of R.S. 46:449. The amount of this credit shall not exceed ~~two~~  
25 ~~hundred~~ one hundred sixty dollars per year.

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

28   \*         \*         \*

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

9 \* \* \*

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

13 \* \* \*

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

19 \* \* \*

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

25 \* \* \*

26 J.

27 \* \* \*

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

4           K.

5   \*       \*       \*

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

8   \*       \*       \*

9           L.

10   \*       \*       \*

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

15   \*       \*       \*

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

20   \*       \*       \*

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

25   \*       \*       \*

26           (2) The credit provided for by this Section shall not exceed ~~ten~~ eight  
27       thousand dollars per organ donation. It shall be allowed against the income tax for  
28       the taxable period in which the credit is earned. If the tax credit exceeds the amount

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

1 of such taxes due, then any unused credit may be carried forward as a credit against  
2 subsequent tax liability for a period not to exceed ten years.

3 \* \* \*

4 P.

5 \* \* \*

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

10 \* \* \*

11 §297.2. Reduction to tax due

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

20 \* \* \*

21 §297.6. Reduction to tax due; rehabilitation of residential structures

22 A.(1) There shall be a credit against individual income tax liability due under  
23 this Title for the amount of eligible costs and expenses incurred during the  
24 rehabilitation of an owner-occupied residential or owner-occupied mixed use  
25 structure located in a National Register Historic District, a local historic district, a  
26 Main Street District, a cultural products district, or a downtown development district,  
27 or such owner-occupied residential structure ~~which~~ that has been listed or is eligible  
28 for listing on the National Register, or such structure ~~which~~ that has been certified  
29 by the State Historic Preservation Office as contributing to the historical significance

1 of the district, or a vacant and blighted owner-occupied residential structure located  
2 anywhere in the state that is at least fifty years old. The tax credit authorized  
3 pursuant to this Section shall be limited to one credit per structure rehabilitated. The  
4 total credit shall not exceed ~~twenty-five~~ twenty thousand dollars per structure. In  
5 order to qualify for that credit, the rehabilitation costs for the structure must exceed  
6 ten thousand dollars.

7 (a) If the credit is for the rehabilitation of an owner-occupied residential  
8 structure, the credit shall be ~~twenty-five~~ twenty percent of the eligible costs and  
9 expenses of a rehabilitation for which an application for credit has been filed for the  
10 first time after July 1, 2011. If the residential structure is owned and occupied by  
11 two or more individuals, the applicable percentage shall be based on the sum of all  
12 owner-occupants who contribute to the rehabilitation, and the credit will be divided  
13 between the owner-occupants in proportion to their contribution to the eligible costs  
14 and expenses.

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

19 \* \* \*

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

26 \* \* \*

1 §297.9. Reduction to tax due; amounts paid by certain military servicemembers and  
2 dependents for certain hunting and fishing licenses

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

8 \* \* \*

9 §6004. Employer credit

10 A.

11 \* \* \*

12 (2) The credit shall be ~~seven hundred fifty~~ six hundred dollars and shall be  
13 allowed against the income tax for the taxable period during which the new  
14 employee has completed one year of full-time service with the taxpayer ~~and/or~~ or  
15 against the corporation franchise tax for the taxable period following the taxable  
16 period during which the new employee has completed one year of full-time service  
17 with the taxpayer. Only one tax credit shall be allowed for:

18 \* \* \*

19 §6005. Qualified new recycling manufacturing or process equipment ~~and/or~~ and  
20 service contracts

21 \* \* \*

22 C.(1) A taxpayer who purchases qualified new recycling manufacturing or  
23 process equipment ~~and/or~~ or qualified service contracts, or both, as defined in this  
24 Section and certified by the secretary of the Department of Environmental Quality  
25 to be used or performed exclusively in this state shall be entitled to a credit against  
26 any income and corporation franchise taxes imposed by the state in an amount equal  
27 to ~~twenty~~ sixteen percent of the cost of the new recycling manufacturing or process

1 equipment ~~and/or~~ or qualified service contract, or both, less the amount of any other  
2 tax credits received for the purchase of such equipment ~~and/or~~ or contract, or both.

3 \* \* \*

4 D.(1) The amount of the credit claimed in the taxable period for which  
5 certification of equipment is received, and the amount of credit claimed therefor in  
6 each taxable period thereafter, shall not exceed twenty percent of the amount of the  
7 total credit allowable. In no case shall the credit claimed exceed fifty percent of the  
8 tax liability which would be otherwise due for that taxable period. Any unused  
9 credit for a taxable year in which a credit is allowed may be carried forward to  
10 subsequent years until the credit is exhausted. Total credits certified by the secretary  
11 of the Department of Environmental Quality in any calendar year shall not exceed  
12 ~~five million~~ four million dollars.

13 \* \* \*

14 §6006. Tax credits for local inventory taxes paid

15 \* \* \*

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

17 \* \* \*

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

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

22 §6006.1. Tax credits for taxes paid with respect to vessels in Outer Continental  
23 Shelf Lands Act Waters

24 \* \* \*

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

26 \* \* \*

27 (3) For ad valorem taxes on Outer Continental Shelf Lands Act Waters  
28 vessels paid to political subdivisions on or after July 1, 1996, and before June 30,  
29 2015, the credit shall be one hundred percent of such taxes paid.

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

4 §6007. Motion picture investor tax credit

5 \* \* \*

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

7 (1)

8 \* \* \*

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

11 \* \* \*

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

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

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

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

26 (iii) The initial certification shall be effective for a period of twelve months  
 27 prior to and twelve months after the date of initial certification, unless the production



1 has commenced, in which case the initial certification shall be valid until the  
 2 production is completed.

3 \* \* \*

4 §6008. Tax credits for donations made to assist playgrounds in economically  
 5 depressed areas

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

14 \* \* \*

15 §6009. Louisiana Basic Skills Training Tax Credit

16 \* \* \*

17 D. Tax credits. (1) Any Louisiana business or industry which satisfies the  
 18 criteria provided for herein shall, with submission of proper and complete  
 19 applications, receive a ~~two hundred fifty~~ two hundred dollar tax credit per  
 20 participating employee, with the total of all such basic skills training tax credits not  
 21 to exceed ~~thirty~~ twenty-four thousand dollars for any such single business or industry  
 22 enterprise in a particular tax year. This tax credit may be applied to any state income  
 23 tax liability or any state corporation franchise tax liability and, if the entire credit  
 24 cannot be used in the year earned, the remainder may be applied against income tax  
 25 or corporation franchise tax liabilities for the succeeding two tax years, or until the  
 26 entire credit is used, whichever occurs first.

27 \* \* \*

1 §6012. Employer tax credits for donations of materials, equipment, advisors, or  
2 instructors

3 \* \* \*

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

15 \* \* \*

16 §6013. Tax credits for donations made to public schools

17 A. There shall be allowed a credit against the corporate income tax and the  
18 corporation franchise tax for qualified donations made to a public school. The credit  
19 shall be an amount equal to ~~forty~~ thirty-two percent of the appraised value of the  
20 qualified donation. Any such credit shall be taken as a credit against the corporate  
21 income or corporation franchise tax for the taxable year in which the donation is  
22 made. The total of all such credits taken in a taxable year shall not exceed the total  
23 tax liability for that taxable year.

24 \* \* \*

25 §6015. Research and development tax credit

26 \* \* \*

27 C.

28 \* \* \*

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

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

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

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

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

11   \*       \*       \*

12                   D. A taxpayer who receives a federal Small Business Innovation Research  
13 Grant as created by the Small Business Innovation Development Act of 1982 (P.L.  
14 97-219), reauthorized by the Small Business Research and Development  
15 Enhancement Act (P.L. 102-564), and reauthorized again by the Small Business  
16 Reauthorization Act of 2000 (P.L. 106-554), shall be allowed a refundable tax credit  
17 in an amount equal to ~~forty thirty-two~~ thirty-two percent of the award received during the tax  
18 year.

19   \*       \*       \*

20 §6017. Tax credits for certain expenses paid by economic development corporations

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

28   \*       \*       \*

1 §6018. Tax credits for purchasers from "PIE contractors"

2 \* \* \*

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

7 \* \* \*

8 §6020. Angel Investor Tax Credit Program

9 \* \* \*

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

23 (2)(a) An investor may apply for and, if qualified, be granted a credit on any  
24 income or corporation franchise tax liability owed to the state by the taxpayer  
25 seeking to claim the credit in the amount approved by the secretary of the  
26 department. The amount of the tax credit shall be based upon the amount of money  
27 invested by the investor in the Louisiana Entrepreneurial Business, which investment  
28 shall not exceed ~~one million~~ eight hundred thousand dollars per year per business  
29 and ~~two million~~ one million six hundred thousand dollars total per business. Except

1 as otherwise provided in Subparagraph (b) of this Paragraph, the credit shall be  
2 allowed against the income tax for the taxable period in which the credit is earned  
3 and the franchise tax for the taxable period following the period in which the credit  
4 is earned. The credits approved by the department shall be granted at the rate of  
5 ~~thirty-five~~ twenty-eight percent of the amount of the investment with the credit  
6 divided in equal portions for five years.

7 \* \* \*

8 §6022. Digital interactive media and software tax credit

9 \* \* \*

10 D. Tax credit; specific projects.

11 \* \* \*

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

17 \* \* \*

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

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

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

27 \* \* \*

28 §6023. Sound recording investor tax credit

29 \* \* \*

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

2 (1) Until January 1, 2020, there is hereby authorized a credit against the state income  
3 tax for investments made in state-certified productions and state-certified sound  
4 recording infrastructure projects. The tax credit shall be earned by investors at the  
5 time expenditures are certified by the Louisiana Department of Economic  
6 Development according to the total base investment certified for the sound recording  
7 production company per calendar year; however, no credit shall be allowed under  
8 this Section for any expenditures for which a credit was granted under R.S. 47:6007.  
9 For state-certified productions certified on and after July 1, 2007, and state-certified  
10 infrastructure projects which have applied on or before August 1, 2009, each investor  
11 shall be allowed a tax credit of ~~twenty-five~~ twenty percent of the base investment  
12 made by that investor in excess of fifteen thousand dollars or, if a resident of this  
13 state, in excess of five thousand dollars.

14 \* \* \*

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

18 \* \* \*

19 §6025. Tax credit for Louisiana Citizens Property Insurance Corporation assessment

20 A.(1) There shall be allowed a credit against Louisiana income tax due in a  
21 taxable year for eighty percent of the amount of surcharges, market equalization  
22 charges, or assessments paid by a taxpayer during the taxable year as a result of the  
23 2005 regular assessment or the emergency assessments levied due to Hurricanes  
24 Katrina and Rita by Louisiana Citizens Property Insurance Corporation for the FAIR  
25 Plan and Coastal Plan, as they are defined in R.S. 22:2292.

26 \* \* \*

27 §6026. Cane River heritage tax credit

28 \* \* \*

1 D.

2 \* \* \*

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

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

22 \* \* \*

23 §6030. Solar energy systems tax credit

24 \* \* \*

25 B.(1) The tax credit for the purchase and installation of a system at a  
26 Louisiana residence or for a system which is already installed in a newly constructed  
27 home located in Louisiana shall be equal to ~~fifty~~ forty percent of the first twenty-five  
28 thousand dollars of the cost of a system that is purchased and installed on or after  
29 January 1, 2008, and before January 1, 2018. There shall be no tax credits

1 authorized, issued, or granted as provided in this Paragraph for systems installed  
2 after December 31, 2017.

3 (2)

4 \* \* \*

5 (a) The tax credit shall be equal to fifty percent of the first twenty-five  
6 thousand dollars of the cost of purchase for a system installed before January 1,  
7 2014. For a system installed on or after January 1, 2014, and before January 1, 2018,  
8 the tax credit shall be equal to ~~thirty-eight~~ thirty percent of the first twenty-five  
9 thousand dollars of the cost of purchase.

10 \* \* \*

11 §6032. Tax credit for certain milk producers

12 \* \* \*

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

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

23 \* \* \*

24 F. The credit allowed for each producer pursuant to this Section shall not  
25 exceed ~~thirty~~ twenty-four thousand dollars per calendar year. The total aggregate  
26 amount of tax credits for all producers provided for under this Section shall be  
27 capped at ~~two million five hundred thousand~~ two million dollars per calendar year.

28 \* \* \*



1 §6034. Musical and theatrical production income tax credit

2 \* \* \*

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

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

7 (a)

8 \* \* \*

9 (ii)

10 \* \* \*

11 (bb) For state-certified higher education musical or theatrical infrastructure  
12 projects that receive initial certification on or before January 1, 2018, a base  
13 investment credit may be earned for expenditures made in the state on or before  
14 January 1, 2022, for the construction, repair, or renovation of a new state-certified  
15 higher education musical or theatrical facility infrastructure project, or for  
16 investments made by a company or a financier in such infrastructure project that are,  
17 in turn, expended for such construction, repair, or renovation. No more than ~~ten~~  
18 eight million dollars in tax credits per project or ~~sixty~~ forty-eight million dollars total  
19 in tax credits shall be granted for state-certified higher education musical or  
20 theatrical infrastructure projects. Twenty-five percent of the total base investment  
21 provided for in the initial certification letter of a state-certified higher education  
22 musical or theatrical infrastructure project must be expended on or before January  
23 1, 2020, in order for the project to earn credits for the remaining estimated base  
24 investment provided for in the initial certification letter, as expenditures are made in  
25 the state on or before January 1, 2022. No credits shall be certified until the state-  
26 certified higher education musical or theatrical infrastructure project is complete.  
27 The initial certification letter shall be effective for qualified expenditures made no  
28 more than six months prior to the date of application. State-certified higher education  
29 musical or theatrical infrastructure projects shall not be subject to the provisions of

1 Subitem (cc) of this Item nor shall such projects be subject to the provisions of  
2 Subsection H of this Section.

3 \* \* \*

4 (iii) Except as limited for state-certified infrastructure projects as provided  
5 for in this Subparagraph, the base investment credit shall be for the following  
6 amounts:

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

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

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

16 \* \* \*

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

24 (d) To the extent that base investment is expended on payroll for Louisiana  
25 residents employed in connection with a state-certified musical or theatrical  
26 production, except for the students provided for in Subparagraph (c) of this  
27 Paragraph, or the construction of a state-certified musical or theatrical facility  
28 infrastructure project, a company shall be allowed an additional tax credit of ~~ten~~  
29 eight percent of such payroll; however, if the amount paid to any one person exceeds

1 one million dollars, the additional credit shall not include any amount paid to that  
2 person that exceeds one million dollars.

3 \* \* \*

4 §6035. Tax credit for conversion of vehicles to alternative fuel usage

5 \* \* \*

6 C.(1) The credit provided for in Subsection A of this Section shall be  
7 allowed against individual or corporate income tax for the taxable period in which  
8 the property is purchased and installed, if applicable, and shall be equal to  ~~fifty~~  forty   
9 percent of the cost of the qualified clean-burning motor vehicle fuel property.

10 \* \* \*

11 D. In cases where no previous credit has been claimed pursuant to  
12 Subsection C of this Section for the cost of qualified clean-burning motor vehicle  
13 fuel property in a new motor vehicle purchased by a taxpayer with qualified  
14 clean-burning motor vehicle fuel property installed by the vehicle's manufacturer and  
15 the taxpayer is unable to, or elects not to determine the exact cost which is  
16 attributable to such property, the taxpayer may claim a credit against individual or  
17 corporate income tax for the taxable period in which the motor vehicle is purchased  
18 equal to  ~~ten~~  eight  percent of the cost of the motor vehicle or  ~~three thousand two~~   
19  thousand four hundred  dollars, whichever is less, provided the motor vehicle is  
20 registered in this state.

21 \* \* \*

22 §6036. Ports of Louisiana tax credits

23 \* \* \*

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

26 \* \* \*

27 (b) The Investor Tax Credit provided for in this Subsection shall be granted  
28 by the Department of Economic Development for a qualifying project if the  
29 commissioner of administration, after approval of the Joint Legislative Committee

1 on the Budget, and the state bond commission certifies to the secretary of the  
 2 department that securing the project will result in a significant positive economic  
 3 benefit to the state. "Significant positive economic benefit" means net positive tax  
 4 revenue that shall be determined by taking into account direct, indirect, and induced  
 5 impacts of the project based on a standard economic impact methodology utilized  
 6 by the commissioner, and the value of the credit, and any other state tax and financial  
 7 incentives that are used by the department to secure the project. If the commissioner  
 8 with the approval of the committee so certifies, then the Department of Economic  
 9 Development may grant a tax credit equal to eighty percent of the total capital costs  
 10 of such qualifying project to be taken at five percent per tax year or shall grant such  
 11 other amount of tax credit to be taken at such other percentage which is warranted  
 12 by the significant positive economic benefit determined by the commissioner, but no  
 13 tax credit granted for a qualifying project shall exceed ~~two million five hundred~~  
 14 ~~thousand~~ two million dollars per tax year. However, the total amount of tax credits  
 15 granted on a qualifying project shall not exceed the total cost of the project. In  
 16 addition, the investor tax credits granted by the department to any recipient pursuant  
 17 to this Section shall be limited to an amount which shall not result in a reduction of  
 18 tax liability by all recipients of such credits to exceed ~~six million two hundred fifty~~  
 19 ~~thousand~~ five million dollars in any fiscal year.

\* \* \*

I. Import-export cargo tax credit.

\* \* \*

23 (2)(a)(i) For taxable years beginning on and after January 1, 2014, there shall  
 24 be allowed a credit against the individual income, corporation income, and  
 25 corporation franchise tax liability of a taxpayer who has received certification  
 26 pursuant to the provisions of Paragraph (1) of this Subsection; provided that the  
 27 credit shall be allowed only against the tax liability of the international business  
 28 entity which receives the certification. The amount of the credit shall be equal to the  
 29 product of multiplying ~~five dollars~~ four dollars by the taxpayer's number of tons of

1 qualified cargo for the taxable year which exceeds the pre-certification tonnage or  
 2 the product of multiplying the number of dollars by the taxpayer's number of tons of  
 3 qualified cargo for the taxable year or portion of a taxable year which exceeds the  
 4 pre-certification tonnage which is warranted by the significant positive economic  
 5 benefit determined by the commissioner pursuant to Item (ii) of this Subparagraph,  
 6 whichever is less. For purposes of this Item, "pre-certification tonnage" means the  
 7 number of tons of cargo which meets the definition of qualified cargo for purposes  
 8 of this credit, and which was owned by the international business entity receiving the  
 9 credit, were imported or exported to or from a manufacturing, fabrication, assembly,  
 10 distribution, processing, or warehouse facility located in Louisiana, and which were  
 11 so moved by way of an oceangoing vessel berthed at public port facilities in  
 12 Louisiana during the 2013 calendar year. However, each tax credit granted to a  
 13 taxpayer shall be subject to the same limit as is provided for a qualifying project  
 14 pursuant to Subparagraph (C)(1)(b) of this Section. In addition, the import-export  
 15 cargo tax credits granted by the department to any recipient pursuant to this Section  
 16 shall be limited to an amount which shall not result in a reduction of tax liability by  
 17 all recipients of such credits to exceed ~~six million two hundred fifty thousand~~ five  
 18 million dollars in any fiscal year.

19 \* \* \*

20 §6037. Tax credit for "green job industries"

21 \* \* \*

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

23 (1) There is hereby authorized a base investment tax credit for certified,  
 24 verified, and approved expenditures in the state for the construction, repair, or  
 25 renovation of a state-certified green project, or for investments made by a company  
 26 or a financier in such project which are, in turn, expended for such construction,  
 27 repair, or renovation, not to exceed ~~one million~~ eight hundred thousand dollars per

1 state-certified green project. No more than ~~five million~~ four million dollars in tax  
2 credits under this Section shall be granted for state-certified green projects per year.

3 \* \* \*

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

6 \* \* \*

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

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

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

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

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

24 (d) To the extent that base investment is expended on payroll for Louisiana  
25 residents employed in connection with a state-certified green project, who are  
26 graduates of an institution within the Louisiana Community and Technical College  
27 System or graduates of an apprenticeship program registered with the Louisiana

1 Workforce Commission, each investor shall be allowed an additional tax credit of  
2 eight-tenths of one percent of such payroll.

3 \* \* \*

4 Section 3. R.S. 51:1807(C), 2354(A) and (B), 2399.3(A)(2)(a) and (b), and  
5 3085(B)(1)(a) are hereby amended and reenacted to read as follows:

6 §1807. Incentives

7 \* \* \*

8 C. The board, after consultation with the secretaries of the Department of  
9 Economic Development and the Department of Revenue and with the approval of the  
10 governor, may enter into contracts to provide for a ~~five thousand~~ four thousand dollar  
11 tax credit per net new employee as determined by the company's average annual  
12 employment reported under the Louisiana Employment Security Law. This tax  
13 credit may be applied to any state income tax liability or any state franchise tax  
14 liability and shall be used for the taxable year in which the increase in average  
15 annual employment occurred. However, if the entire credit cannot be used in the  
16 year earned, the excess of the credit over the aggregate tax liabilities against which  
17 the credit can be applied shall constitute an overpayment, as defined in R.S.  
18 47:1621(A), and the secretary shall make a refund of such overpayment from the  
19 current collections of the taxes imposed by Chapter 1 and Chapter 5 of Subtitle II of  
20 Title 47 of the Louisiana Revised Statutes of 1950, as amended. The right to a  
21 refund of any such overpayment shall not be subject to the requirement of R.S.  
22 47:1621(B).

23 \* \* \*

24 §2354. Technology commercialization credit; amount; duration; forfeit

25 A. Except as provided in Subsection B of this Section, the taxpayer may earn  
26 and apply for and, if qualified, be granted a refundable tax credit which may be  
27 applied to any income or corporation franchise tax liability owed to the state by the  
28 taxpayer seeking to claim the credit, equal in value to ~~forty~~ thirty-two percent of the  
29 amount of money invested by the taxpayer applicant in commercialization costs for

1 one business location meeting the requirements of R.S. 51:2353(C)(1) and (2) as  
2 certified by the Department of Economic Development.

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

11 \* \* \*

12 §2399.3. Modernization tax credit

13 A.

14 \* \* \*

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

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

29 \* \* \*



1 §3085. Tax credit

2 \* \* \*

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

5 \* \* \*

6 Section 4. The provisions of this Act shall apply to all claims for credits on any  
7 return filed on or after July 1, 2015, regardless of the taxable year to which the return relates.

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DIGEST

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

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HB 629 Reengrossed

2015 Regular Session

Jackson

**Abstract:** Reduces certain 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. 47:33 Credit for taxes paid to other states
- (3) R.S. 47:34 Corporation tax credit
- (4) R.S. 47:35 Neighborhood assistance tax credit
- (5) R.S. 47:37 Credit for contributions to educational institutions
- (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. 47:297.6 Credit for rehabilitation of residential structures
- (18) R.S. 47:297.9 Certain military servicemembers and dependents hunting and fishing licenses
- (19) R.S. 47:6004 Employer Credit
- (20) R.S. 47:6005 Qualified new recycling manufacturing equipment and service contracts
- (21) R.S. 47:6006 Credits for local inventory taxes
- (22) R.S. 47:6006.1 Credit for taxes paid for vessels in Outer Continental Shelf Lands Act Waters
- (23) R.S. 47:6007 Motion picture investor tax credit
- (24) R.S. 47:6008 Credit for donations to assist playgrounds in economically depressed areas
- (25) R.S. 47:6009 Louisiana Basic Skills Training Tax Credit
- (26) R.S. 47:6012 Employer tax credits for donations of materials, equipment, advisors, or instructors
- (27) R.S. 47:6013 Credit for donations to public schools
- (28) R.S. 47:6015 Research and development tax credit
- (29) R.S. 47:6017 Credit for expenses paid by economic development corporations
- (30) R.S. 47:6018 Credit for purchasers from "PIE contractors"
- (31) R.S. 47:6020 Angel Investor tax credit program
- (32) R.S. 47:6022 Digital interactive media and software tax credit
- (33) R.S. 47:6023 Sound recording investor tax credit
- (34) R.S. 47:6025 Credit for La. Citizens Property Insurance Corp. assessment
- (35) R.S. 47:6026 Cane River heritage tax credit
- (36) R.S. 47:6030 Solar energy systems tax credit
- (37) R.S. 47:6032 Credit for certain milk producers
- (38) R.S. 47:6034 Musical and theatrical production income tax credit
- (39) R.S. 47:6035 Credit for conversion of vehicles to alternative fuel usage
- (40) R.S. 47:6036 Ports of Louisiana tax credit
- (41) R.S. 47:6037 Credit for "green job industries"
- (42) R.S. 51:1807 Incentives (Urban Revitalization)
- (43) R.S. 51:2354 Technology commercialization credit

## (44) R.S. 51:2399.3 Modernization tax credit

Present law (R.S. 47:33) provides for an income tax credit for net income taxes imposed by and paid to another state on income taxable in La.

Proposed law retains present law but reduces the amount of the credit to 80% of the net income taxes paid to another state.

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 10% 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. 47:265 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 180 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 chlorofluorocarbons 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 five 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. 47:297.6) 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. 47:297.9) 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. 47:6015) 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. 47:6017) 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. 47:6020) 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 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. 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. 51:2354) 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 and applicable to all claims for credits made on returns filed on or after July 1, 2015, regardless of the taxable year to which the return relates.

(Amends R.S. 25:1226.4(C)(1) and (2), R.S. 47:33(A)(intro. para.), 34(B)(1), 35(C), 37(C), 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, 297.6(A)(1) and (5), 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), 6015(C)(2) and (D), 6017(A), 6018(C), 6020(D)(1) and (2)(a), 6022(D)(2)(intro. para.), 6023(C)(1) and (3)(intro. para.), 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) and (D), 6036(C)(1)(b) and (I)(2)(a)(i), and 6037(B)(1) and (2)(b), (c), and (d) and R.S. 51:1807(C), 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))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Add the income tax credit for taxes paid in other states but reduces the amount of the credit by 20%.
2. Reduce the amount of tax credit certain milk producers may receive from \$30,000 to \$24,000.
3. Delete the following tax credits from the bill:
  - (1) R.S. 47:227 - Offset against tax; insurance premiums
  - (2) R.S. 47:297.4 - Credit for child care expenses
  - (3) R.S. 47:297.8 - Earned income tax credit
  - (4) R.S. 47:6015 - Research and development tax credit
  - (5) R.S. 47:6020 - Angel Investor tax credit program
  - (6) R.S. 47:6022 - Digital interactive media and software tax credit
  - (7) R.S. 47:6036 - Ports of Louisiana tax credit
  - (8) R.S. 47:6104 - Child care expense tax credit
  - (9) R.S. 47:6105 - Child care provider tax credit
  - (10) R.S. 47:6106 - Credit for child care directors and staff
  - (11) R.S. 47:6107 - Business-supported child care
  - (12) R.S. 51:1787 - Incentives (Enterprise Zone)
4. Add provisions making proposed law applicable to all claims for credits on any return filed on or after July 1, 2015, regardless of the taxable year to which the return relates.

The House Floor Amendments to the engrossed bill:

1. Delete the following tax credits from the bill:
  - (1) R.S. 47:6014 - Credit for property taxes paid by certain telephone companies
  - (2) R.S. 47:6016.1 - Louisiana New Markets Jobs Act
  - (3) R.S. 47:6019 - Credit for rehabilitation of historic structures (commercial)
  - (4) R.S. 51:1924 - Income tax credit or premium tax reduction
2. Add the following tax credits to the bill and reduce the amount of the credits by 20%:

- (1) R.S. 47:6015 - Research and development tax credit
  - (2) R.S. 47:6020 - Angel Investor tax credit program
  - (3) R.S. 47:6022 - Digital interactive media and software tax credit
  - (4) R.S. 47:6036 - Ports of Louisiana tax credit
3. Make technical corrections.