

2016 First Extraordinary Session

HOUSE BILL NO. 98

BY REPRESENTATIVE JAY MORRIS

TAX CREDITS: Amends Act No. 125 of the 2015 Regular Session of the Legislature to provide relative to income and corporation franchise tax credits (Item #10)

1 AN ACT

2 To amend and reenact Sections 1, 2, 3, 7, and 8 of Act No. 125 of the 2015 Regular Session

3 of the Legislature, including the reenactment of R.S. 47:297(A), (B), (C)(1), (D)(2),

4 (F), (M)(1), and (P)(2), 297.6(A)(1) and (5), 297.9(A), 6005(C)(1), 6012(B),

5 6020(D)(1), 6022(D)(2)(introductory paragraph), 6023(C)(3)(introductory

6 paragraph), 6025(A)(1), 6032(C), and 6036(C)(1)(b) and R.S. 51:2354(A) and

7 2399.3(A)(2)(a) as well as the amendment and reenactment of R.S. 25:1226.4(C)(1)

8 and (2), R.S. 47:34(B)(1), 35(C), 37(C), 227, 265, 287.664, 287.748(B)(1),

9 287.749(B), 287.752(B)(1), 287.753(C), 287.755(C), 287.758(B), 287.759(A) and

10 (C)(3), 297(G)(2), (H)(1), (I)(2), (J)(4), (K)(2)(a), (L)(3), and (N), 6004(A)(2),

11 6005(D)(1), 6008(A), 6009(D)(1), 6013(A), 6017(A), 6018(C), 6020(D)(2)(a),

12 6022(D)(3), 6023(C)(1), 6026(D)(2) and (3), 6032(F), 6034(C)(1)(a)(ii)(bb) and (iii),

13 (c), and (d), 6035(C)(1) and (D), 6036(C)(1)(a)(introductory paragraph) and

14 (I)(2)(a)(i), and 6037(B)(1) and (2), and R.S. 51:1787(A)(1)(b) and (2)(a) and

15 (b), 1807(C), 2354(B), 2399.3(A)(2)(b), and 3085(B)(1)(a) as well as the enactment

16 of R.S. 47:1675(A)(7), and to repeal Sections 4, 5, and 6 of Act No. 125 of the 2015

17 Regular Session of the Legislature, relative to income and corporate franchise tax

18 credits; to provide relative to the amounts of tax credits; to provide a cap on such

19 credits; to eliminate the termination of reductions previously enacted; to provide for

20 an effective date; and to provide for related matters.

1 Be it enacted by the Legislature of Louisiana:

2 Section 1. Sections 1, 2, 3, 7, and 8 of Act No. 125 of the 2015 Regular Session of
3 the Legislature are hereby amended and reenacted to read as follows:

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

6 §1226.4. Tax exemptions and credits

7 * * *

8 C.(1) Whenever the governor finds that a concern satisfies the requirements
9 of this Part and the criteria established by rule, he shall advise the commerce board
10 that it may enter into a contract with such cottage industry for a tax credit of up to
11 one thousand two hundred dollars that may be used against the tax liability for state
12 income and corporation franchise taxes related to the operations of the cottage
13 industry within the development zone, subject to the provisions of R.S.
14 47:1675(A)(7).

15 (2) In addition to those tax credits provided for in Paragraph (1) of this
16 Subsection, the board may also enter into contracts with eligible cottage industries
17 for a one thousand two hundred dollar tax credit per new employee hired during the
18 taxable year for which the credit is claimed. In order to qualify for this credit, the
19 applicant must have net new hires of one full-time employee or two part-time
20 employees. A full-time employee is a person employed for at least thirty-two hours
21 per week. A part-time employee is a person employed for at least twenty hours per
22 week but less than thirty-two hours a week. In order to qualify as a new hire for
23 purposes of this credit, the employee must have been a resident of the heritage area
24 development zone for at least thirty days prior to employment. The credit may be
25 applied to any state income tax liability or any state corporate franchise tax liability,
26 subject to the provisions of R.S. 47:1675(A)(7), but not liabilities for penalty or
27 interest due or outstanding at the time the credit is generated. This credit shall be
28 applicable only to a position that did not previously exist in the business and that is

1 filled by a resident of the development zone who is performing duties in connection
2 with the operation of the business as a regular, full-time employee.

3 * * *

4 Section 2. R.S. 47:297(A), (B), (C)(1), (D)(2), (F), (M)(1), and (P)(2),
5 297.6(A)(1) and (5), 297.9(A), 6005(C)(1), 6012(B), 6020(D)(1),
6 6022(D)(2)(introductory paragraph), 6023(C)(3)(introductory paragraph),
7 6025(A)(1), 6032(C), and 6036(C)(1)(b) are hereby reenacted and R.S. 47:34(B)(1),
8 35(C), 37(C), 227, 265, 287.664, 287.748(B)(1), 287.749(B), 287.752(B)(1),
9 287.753(C), 287.755(C), 287.758(B), 287.759(A) and (C)(3), 297(A), (B), (C)(1),
10 (D)(2), (F), (G)(2), (H)(1), (I)(2), (J)(4), (K)(2)(a), (L)(3), (M)(1), (N)(1) and (2), and
11 (P)(2), 297.6(A)(1) and (5), 297.9(A), 6004(A)(2), the heading of 6005, 6005(C)(1)
12 and (D)(1), 6008(A), 6009(D)(1), 6012(B), 6013(A), 6017(A), 6018(C), 6020(D)(1)
13 and (2)(a), 6022(D)(2)(introductory paragraph) and (3), 6023(C)(1) and
14 (3)(introductory paragraph), 6025(A)(1), 6026(D)(2) and (3), 6032(C) and (F),
15 6034(C)(1)(a)(ii)(bb), (C)(1)(a)(iii), (C)(1)(c), and (d), 6035(C)(1) and (D),
16 6036(C)(1)(b) and (I)(2)(a)(i), and 6037(B)(1) and (2)(b), (c), and (d) R.S.
17 47:34(B)(1), 35(C), 37(C), 227, 265, 287.664, 287.748(B)(1), 287.749(B),
18 287.752(B)(1), 287.753(C), 287.755(C), 287.758(B), 287.759(A) and (C)(3),
19 297(G)(2), (H)(1), (I)(2), (J)(4), (K)(2)(a), (L)(3), and (N), 6004(A)(2), 6005(D)(1),
20 6008(A), 6009(D)(1), 6013(A), 6017(A), 6018(C), 6020(D)(2)(a), 6022(D)(3),
21 6023(C)(1), 6026(D)(2) and (3), 6032(F), 6034(C)(1)(a)(ii)(bb) and (iii), (c), and (d),
22 6035(C)(1) and (D), 6036(C)(1)(a)(introductory paragraph) and (I)(2)(a)(i), and
23 6037(B)(1) and (2) are hereby amended and reenacted and R.S.47:6022(D)(3) R.S.
24 47:1675(A)(7) is hereby enacted to read as follows:

25 §34. Corporation tax credit

26 * * *

27 B.(1) The credit shall be a portion of the state corporate income tax, but not
28 in excess of thirty-six percent of such tax, subject to the provisions of R.S.
29 47:1675(A)(7). Such portion shall be an amount determined by multiplying the

1 number of new employees, as defined in Subsection C of this Section, by the
2 following amounts:

3 (a) ~~seventy-two~~ Seventy-two dollars per eligible new employee per taxable
4 year.

5 (b) ~~one~~ One hundred forty-four dollars per eligible new economically
6 disadvantaged employee per taxable year.

7 (c) ~~one~~ One hundred sixty-two dollars per new employee who is a resident
8 of a neighborhood with an unemployment rate of ten percent or more per taxable
9 year.

10 * * *

11 §35. Neighborhood assistance tax credit

12 * * *

13 C. The division of administration shall grant a tax credit against the state
14 corporate income tax liability. A tax credit of up to fifty percent of the actual
15 amount contributed may be allowed for investment in programs approved by the
16 commissioner of administration. Such credit for any corporation shall not exceed
17 one hundred eighty thousand dollars annually, subject to the provisions of R.S.
18 47:1675(A)(7). No tax credit shall be granted to any bank, bank and trust company,
19 insurance company, trust company, national bank, savings association, or building
20 and loan association for activities that are a part of its normal course of business.
21 Any tax credit not used in the period the investment was made may be carried over
22 for the next five succeeding taxable periods until the full credit has been allowed.

23 * * *

24 §37. Tax credit for contributions to educational institutions

25 * * *

26 C. There shall be allowed a credit against the tax liability due under the
27 income tax for donations, contributions, or sales below cost of tangible movable
28 property made to educational institutions in the state of Louisiana. The credit
29 allowed by this Section shall be computed at the rate of twenty-nine percent of such

1 property's value, as defined herein, or, in the case of a sale below cost, twenty-nine
 2 percent of the difference between the price received for the tangible movable
 3 property by the taxpayer and the value of the property as defined herein. ~~The Subject~~
 4 to the provisions of R.S. 47:1675(A)(7), the credit shall be limited to the total of the
 5 tax liability for the taxable year for which it is being claimed and shall be in lieu of
 6 the deductions from gross income provided for in R.S. 47:57. The credit shall not
 7 be allowed if the taxpayer arbitrarily, capriciously, or unreasonably discriminates
 8 against any person because of race, religion, ideas, beliefs, or affiliations.

9 * * *

10 §227. Offset against tax

11 Every insurance company shall be entitled to an offset against any tax
 12 incurred under this Chapter, in the amount of any taxes, based on premiums, paid by
 13 it during the preceding twelve months, by virtue of any law of this state. ~~Beginning~~
 14 ~~on and after July 1, 2015, and before July 1, 2018, the~~ The offset shall be equal to
 15 seventy-two percent of the amount of any taxes, based on premiums, subject to the
 16 provisions of R.S. 47:1675(A)(7).

17 * * *

18 §265. 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 seventy-two percent
 24 of the income tax increase which was the sole result of the inclusion of the amount
 25 or 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~~ Subject to the
 28 provisions of R.S. 47:1675(A)(7), if this credit exceeds the income tax that would be

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

3 * * *

4 §287.664. 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 seventy-two percent
10 of the income tax increase which was the sole result of the inclusion of the amount
11 or 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 Subject to the
14 provisions of R.S. 47:1675(A)(7), if this credit exceeds the income tax that would be
15 due the state of Louisiana in the year of the refund, computed without the credit, then
16 the excess of this credit may be carried over the following two taxable years.

17 * * *

18 §287.748. Corporation tax credit; re-entrant jobs credit

19 * * *

20 B.(1) The credit shall be one hundred eight dollars per eligible re-entrant
21 employed, as defined in Subsection C hereof, but shall not exceed thirty-six percent
22 of corporate income tax, subject to the provisions of R.S. 47:1675(A)(7).

23 * * *

24 §287.749. Jobs credit

25 * * *

26 B.(1) The credit shall be a portion of the state corporate income tax, but shall
27 not exceed thirty-six percent of such tax, subject to the provisions of R.S.
28 47:1675(A)(7). Such portion shall be an amount determined as follows:

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

1 (a) ~~seventy-two~~ Seventy-two dollars per eligible new employee per taxable
2 year.

3 (b) One hundred forty-four dollars per eligible new economically
4 disadvantaged employee per taxable year.

5 (c) One hundred sixty-two dollars per new employee who is a resident of a
6 neighborhood with an unemployment rate of ten percent or more per taxable year.

7 (2) Only one of the above credits shall be permitted for any one individual
8 employee.

9 (3)(a) The amount of the credit allowed under Subsection B(1) for the
10 taxable year shall be an amount equal to the sum of:

11 (i) ~~a~~ A carry-over of prior unused credits arising from taxable years
12 beginning on or after January 1, 1980, carried to such taxable year, plus

13 (ii) ~~the~~ The amount of the credit determined under Subsection A for the
14 taxable year.

15 (b) If the sum of the amount of credits as determined under the provisions
16 of ~~Subsection B(3)(a)(i) and (ii) of this Section~~ Items (a)(i) and (ii) of this Paragraph
17 for the current taxable year exceeds the limitation imposed by ~~Subsection B(1)~~
18 Paragraph (1) of this Subsection, the excess shall be treated as a carry-over credit and
19 may be carried over for a maximum of five consecutive years following the taxable
20 year in which the credit originated. Such carry-over credits are to be applied in
21 reduction of the tax in the order of the taxable years in which the credits originated,
22 beginning with the credit for the earliest taxable year.

23 * * *

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

25 * * *

26 B.(1) The credit shall be one hundred forty-four dollars per taxable year per
27 eligible employee, subject to the provisions of R.S. 47:1675(A)(7).

28 (a) Only one credit is allowed per taxable year per employee.

1 (b) The credit may be received for a maximum of two years per employee.

2 * * *

3 §287.753. Neighborhood assistance tax credit

4 * * *

5 C. The division of administration or its successor shall grant a tax credit
6 against the state corporation income tax as provided in this Section. A tax credit of
7 up to fifty percent of the actual amount contributed may be allowed for investment
8 in programs approved by the commissioner of administration or his successor. Such
9 credit for any corporation shall not exceed one hundred eighty thousand dollars
10 annually, subject to the provisions of R.S. 47:1675(A)(7). No tax credit shall be
11 granted to any bank, bank and trust company, insurance company, trust company,
12 national bank, savings association, or building and loan association for activities that
13 are a part of its normal course of business. Any tax credit not used in the period the
14 investment was made may be carried over for the next five succeeding taxable
15 periods until the full credit has been allowed.

16 * * *

17 §287.755. Tax credit for contributions to educational institutions

18 * * *

19 C. There shall be allowed a credit against the tax liability due under the
20 income tax for donations, contributions, or sales below cost of tangible movable
21 property made to educational institutions in the state of Louisiana. The credit
22 allowed by this Section shall be computed at the rate of twenty-nine percent of such
23 property's value, as defined herein, or, in the case of a sale below cost, twenty-nine
24 percent of the difference between the price received for the tangible movable
25 property by the taxpayer and the value of the property as defined herein. ~~The Subject~~
26 to the provisions of R.S. 47:1675(A)(7), the credit shall be limited to the total of the
27 tax liability for the taxable year for which it is being claimed and shall be in lieu of
28 the deductions from gross income provided for in R.S. 47:57. The credit shall not

1 be allowed if the taxpayer arbitrarily, capriciously, or unreasonably discriminates
2 against any person because of race, religion, ideas, beliefs, or affiliations.

3 * * *

4 §287.758. Tax credit for bone marrow donor expense

5 * * *

6 B. A credit against the taxes otherwise due under this Part for the tax year
7 is allowed to an employer. The amount of the credit is equal to eighteen percent of
8 the bone marrow donor expense paid or incurred during the tax year by an employer
9 to provide a program for employees who are potential or who actually become bone
10 marrow donors, subject to the provisions of R.S. 47:1675(A)(7).

11 * * *

12 §287.759. Tax credit for employee and dependent health insurance coverage

13 A. ~~When~~ Subject to the provisions of R.S. 47:1675(A)(7), when any
14 contractor or subcontractor in the letting of any contract for the construction of a
15 public work offers health insurance coverage as provided for in this Section, they
16 shall be eligible for a three and six tenths percent income tax credit on forty percent
17 of the amount of the contract received in a tax year if eighty-five percent of the full-
18 time employees of each contractor are offered health insurance coverage and each
19 such general contractor or subcontractor pays seventy-five percent of the total
20 premium for such health insurance coverage for each full-time employee who
21 chooses to participate and pays not less than fifty percent of the total premium for
22 health insurance coverage for each dependent of the full-time employee who elects
23 to participate in dependent coverage.

24 * * *

25 C.

26 * * *

27 (3) The credit shall not exceed two million one hundred sixty thousand
28 dollars per year, subject to the provisions of R.S. 47:1675(A)(7).

29 * * *

1 §297. Reduction to tax due

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

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

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

18 * * *

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

22 * * *

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

25 * * *

26 F. There shall be allowed to an individual, as a credit against the tax imposed
27 by this Chapter for the taxable year, an amount equal to twenty-four percent of the
28 amount contributed in a family responsibility program under the provisions of R.S.

1 46:449. The amount of this credit shall not exceed one hundred forty-four dollars
2 per year.

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

5 * * *

6 (2) The tax credit shall be fourteen and four tenths percent of the purchase
7 price of the equipment if paid for in a single taxable year. If the equipment purchase
8 is financed over two or more taxable years, the tax credit in a taxable year shall be
9 fourteen and four tenths percent of that portion of the original purchase price paid
10 in that taxable year, subject to the provisions of R.S. 47:1675(A)(7). For
11 partnerships and Subchapter S Corporations, the tax credit shall proportionately pass
12 through to each partner or shareholder in the same percentage in which other shares
13 of income, gain, loss, deduction or credit are distributed in accordance with the
14 partnership or shareholder agreement.

15 * * *

16 H.(1) The tax determined as provided in this Part shall be reduced by the
17 lesser of the tax due or three thousand six hundred dollars per taxable year up to a
18 maximum of five years for each taxpayer meeting all of the following criteria,
19 subject to the provisions of R.S. 47:1675(A)(7).

20 * * *

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

26 * * *

27 (2) A credit against the taxes otherwise due under this Part for the tax year
28 is allowed to an employer. The amount of the credit is equal to eighteen percent of
29 the bone marrow donor expense paid or incurred during the tax year by an employer

1 to provide a program for employees who are potential bone marrow donors or who
2 actually become bone marrow donors, subject to the provisions of R.S.
3 47:1675(A)(7).

4 * * *
5 J.

6 * * *
7 (4) ~~The~~ Subject to the provisions of R.S. 47:1675(A)(7), the amount of the

8 credit per tax year is equal to the least of the tax due, or seventy-two percent of the
9 educational expenses, or five hundred forty dollars.

10 K.
11 * * *

12 (2)(a) The credit shall be one hundred forty-four dollars per taxable year per
13 eligible employee, subject to the provisions of R.S. 47:1675(A)(7).

14 (i) Only one credit is allowed per taxable year per employee.
15 (ii) The credit may be received for a maximum of two years per employee.

16 * * *
17 L.

18 * * *
19 (3) The total amount of the credit shall be the lesser of seventy-two percent

20 of the purchase price including applicable taxes paid by the taxpayer or seventy-two
21 dollars, subject to the provisions of R.S. 47:1675(A)(7). In order to claim the tax
22 credit provided in this Subsection, the qualified taxpayer must submit a certification
23 from his employer that:

24 (a) Certifies that the qualified taxpayer meets the qualifications of this
25 Subsection.

26 (b) Certifies that the bulletproof vest is used in the performance of the
27 qualified taxpayer's job.

28 (c) Certifies that the purchase price is reasonable and was not paid by the
29 employer.

1 (d) Certifies that the employer does not provide access to bulletproof vests
2 to the qualified taxpayer for the performance of his duties.

3 M.(1) There shall be allowed a credit against the individual income tax for
4 amounts paid as premiums for eligible long-term care insurance. The amount of the
5 credit shall be equal to seven percent of the total amount of premiums paid annually
6 by each individual claiming the credit.

7 * * *

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

12 (a) The unreimbursed cost of travel paid by the taxpayer to and from the
13 place where the donation operation occurred.

14 (b) Unreimbursed lodging expenses paid by the taxpayer.

15 (c) Wages or other compensation lost because of the taxpayer's absence
16 during the donation procedure and convalescence.

17 (2) The credit provided for by this Section shall not exceed seven thousand
18 two hundred dollars per organ donation. It shall be allowed against the income tax
19 for the taxable period in which the credit is earned. If the tax credit exceeds the
20 amount of such taxes due, ~~then~~ any unused credit may be carried forward as a credit
21 against subsequent tax liability for a period not to exceed ten years.

22 * * *

23 P.

24 * * *

25 (2) The amount of the credit shall be seven hundred twenty dollars, or
26 seventy-two percent of the total tax liability of the taxpayer, whichever is less. The
27 credit shall be taken in the taxable year in which the construction of the dwelling is
28 completed. Only one tax credit may be granted per dwelling.

29 * * *

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

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

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

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

28 * * *

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

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

* * *

9 §297.9. Reduction to tax due; amounts paid by certain military servicemembers and
 10 dependents for certain hunting and fishing licenses

11 A. There shall be a credit against individual income tax liability due under
 12 this Part for seventy-two percent of the amounts paid by an active or reserve military
 13 servicemember, or the spouse or dependent of such servicemember, for obtaining a
 14 Louisiana noncommercial hunting or fishing license for themselves or their spouses
 15 and dependents.

* * *

17 §1675. General administrative provisions for credits against income and corporation
 18 franchise tax

19 A. Unless specifically provided for herein or in the statute granting the credit
 20 against income or corporation franchise tax:

* * *

22 (7) Notwithstanding any other provision of law to the contrary, with respect
 23 to all claims for credits authorized under this Title or Title 25 or 51 of the Louisiana
 24 Revised Statutes of 1950 against corporate income tax and corporation franchise tax,
 25 the aggregate of all credits claimed for a single corporate taxpayer shall not reduce
 26 the corporate tax liability or the corporation franchise tax liability below twenty-five
 27 percent of the total tax due before claiming of the credits. Any portion of a credit

1 disallowed by this provision shall be allowed as a carryforward in accordance with
2 the provision of law establishing the credit.

3 * * *

4 §6004. Employer credit

5 A.

6 * * *

7 (2) ~~The~~ Subject to the provisions of R.S. 47:1675(A)(7), the credit shall be
8 five hundred forty dollars and shall be allowed against the income tax for the taxable
9 period during which the new employee has completed one year of full-time service
10 with the taxpayer or against the corporation franchise tax for the taxable period
11 following the taxable period during which the new employee has completed one year
12 of full-time service with the taxpayer. Only one tax credit shall be allowed for:

13 (a) Each previously unemployed person and only if such person was
14 unemployed for at least an eight-week consecutive period prior to his employment.

15 (b) Each participant of Family Independence Work Program provided that
16 the employer has not entered into a contract with the office of children and family
17 services of the Department of Children and Family Services to reimburse the
18 employer for providing training and additional supervision through the On-the-Job
19 Training (OJT) Program to that employee.

20 * * *

21 §6005. Qualified new recycling manufacturing or process equipment and service
22 contracts

23 * * *

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

1 process equipment or qualified service contract, or both, less the amount of any other
2 tax credits received for the purchase of such equipment 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, subject to the
9 provisions of R.S. 47:1675(A)(7). Any unused credit for a taxable year in which a
10 credit is allowed may be carried forward to subsequent years until the credit is
11 exhausted. Total credits certified by the secretary of the Department of
12 Environmental Quality in any calendar year shall not exceed three million six
13 hundred thousand dollars.

14 * * *

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

17 A. There shall be allowed a credit against any Louisiana income or
18 corporation franchise tax for qualified donations made to qualified playgrounds. The
19 credit shall be an amount equal to the lesser of seven hundred twenty dollars or
20 thirty-six one hundredths of the value of the cash, equipment, goods, or services
21 donated. Any such credit shall be taken as a credit against the applicable tax or taxes
22 only in the taxable period in which the donation is made. The total amount of the
23 credits taken by any taxpayer during any taxable year shall not exceed one thousand
24 dollars, subject to the provisions of R.S. 47:1675(A)(7).

25 * * *

26 §6009. Louisiana Basic Skills Training Tax Credit

27 * * *

28 D. Tax credits. (1) Any Louisiana business or industry which satisfies the
29 criteria provided for herein shall, with submission of proper and complete

1 applications, receive a one hundred eighty dollar tax credit per participating
 2 employee, with the total of all such basic skills training tax credits not to exceed
 3 twenty-one thousand six hundred dollars for any such single business or industry
 4 enterprise in a particular tax year. This tax credit may be applied to any state income
 5 tax liability or any state corporation franchise tax liability, subject to the provisions
 6 of R.S. 47:1675(A)(7), and; if the entire credit cannot be used in the year earned, the
 7 remainder may be applied against income tax or corporation franchise tax liabilities
 8 for the succeeding two tax years, or until the entire credit is used, whichever occurs
 9 first.

* * *

11 §6012. Employer tax credits for donations of materials, equipment, advisors, or
 12 instructors

* * *

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

* * *

26 §6013. Tax credits for donations made to public schools

27 A. There shall be allowed a credit against the corporate income tax and the
 28 corporation franchise tax for qualified donations made to a public school. The credit
 29 shall be an amount equal to twenty-eight and eight tenths percent of the appraised

1 value of the qualified donation. Any such credit shall be taken as a credit against the
2 corporate income or corporation franchise tax for the taxable year in which the
3 donation is made. The total of all such credits taken in a taxable year, when
4 combined with all other applicable tax credits, shall not exceed ~~the total tax liability~~
5 ~~for that taxable year~~ the limitation provided in R.S. 47:1675(A)(7).

6 * * *

7 §6017. Tax credits for certain expenses paid by economic development corporations

8 A. There shall be allowed a credit against any Louisiana income or
9 corporation franchise taxes for the filing fee paid to the Louisiana State Bond
10 Commission that is incurred by an economic development corporation in the
11 preparation and issuance of bonds, as provided for in Chapter 27 of Title 33 of the
12 Louisiana Revised Statutes of 1950. The credit shall be an amount equal to seventy-
13 two percent of the amount of the filing fee paid to the Louisiana State Bond
14 Commission that is incurred by the corporation in the preparation and issuance of the
15 bonds, subject to the provisions of R.S. 47:1675(A)(7).

16 * * *

17 §6018. Tax credits for purchasers from "PIE contractors"

18 * * *

19 C. The amount of the credit shall be equal to seventy-two percent of the state
20 sales and use tax paid by the purchaser on each case or other unit of apparel during
21 the purchaser's tax year as reflected on the books and records of the purchaser during
22 his tax year, subject to the provisions of R.S. 47:1675(A)(7).

23 * * *

24 §6020. Angel Investor Tax Credit Program

25 * * *

26 D. Tax credits. (1) The total amount of tax credits granted by the
27 department in any calendar year shall not exceed three million six hundred thousand
28 dollars. The department shall by rule establish the method of allocating available tax
29 credits to investors including but not limited to a first-come, first-served system,

1 reservation of tax credits for a specific time period, or other method which the
 2 department, in its discretion, may find beneficial to the program. If the department
 3 does not grant the entire three million six hundred thousand dollars in tax credits in
 4 any calendar year, the amount of residual unused tax credits shall carry forward to
 5 subsequent calendar years and may be granted in any year without regard to the three
 6 million six hundred thousand dollar per year limitation. After the approval of an
 7 investor pool, the department shall issue a letter identifying the amount of tax credits
 8 that are available to that pool; however, no tax credit shall be granted to an investor
 9 until the investment has been made in the Louisiana Entrepreneurial Business.

10 (2)(a) An investor may apply for and, if qualified, be granted a credit on any
 11 income or corporation franchise tax liability owed to the state by the taxpayer
 12 seeking to claim the credit in the amount approved by the secretary of the
 13 department. The amount of the tax credit shall be based upon the amount of money
 14 invested by the investor in the Louisiana Entrepreneurial Business, which investment
 15 shall not exceed seven hundred twenty thousand dollars per year per business and
 16 one million four hundred forty thousand dollars total per business. Except as
 17 otherwise provided in Subparagraph (b) of this Paragraph, the credit shall be allowed
 18 against the income tax for the taxable period in which the credit is earned and the
 19 franchise tax for the taxable period following the period in which the credit is earned.
 20 The credits approved by the department shall be granted at the rate of twenty-five
 21 and two tenths percent of the amount of the investment with the credit divided in
 22 equal portions for five years, subject to the provisions of R.S. 47:1675(A)(7).

23 * * *

24 §6022. Digital interactive media and software tax credit

25 * * *

26 D. Tax credit; specific projects.

27 * * *

28 (2) For applications for state-certified productions submitted to the office on
 29 or after July 1, 2009, and before July 1, 2015, and subsequently approved by the

1 office and secretary, there are hereby authorized tax credits which shall be earned by
2 a company at the time funds are expended in Louisiana on a state-certified
3 production as follows:

4 * * *

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

9 (a) Credits shall be earned at the rate of eighteen percent of the base
10 investment. Tax credits authorized pursuant to this Section for project applications
11 submitted to the office on or after April 1, 2016, shall be subject to the provisions of
12 R.S. 47:1675(A)(7).

13 (b) To the extent that base investment is expended on payroll for Louisiana
14 residents employed in connection with a state-certified production, additional tax
15 credits shall be earned at the rate of seven and two tenths of one percent of the
16 payroll. Tax credits authorized pursuant to this Section for project applications
17 submitted to the office on or after April 1, 2016, shall be subject to the provisions of
18 R.S. 47:1675(A)(7).

19 * * *

20 §6023. Sound recording investor tax credit

21 * * *

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

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

1 (a) For state-certified productions certified on and after July 1, 2007 and
2 prior to July 1, 2015, and state-certified infrastructure projects which have applied
3 on or before August 1, 2009, each investor shall be allowed a tax credit of twenty-
4 five percent of the base investment made by that investor in excess of fifteen
5 thousand dollars or, if a resident of this state, in excess of five thousand dollars.

6 (b) For state-certified productions certified on and after July 1, 2015, and
7 state-certified infrastructure projects which have been applied on or after July 1,
8 2015, each investor shall be allowed a tax credit of eighteen percent of the base
9 investment made by that investor in excess of fifteen thousand dollars or, if a
10 resident of this state, in excess of five thousand dollars. Tax credits authorized
11 pursuant to this Section for project applications submitted to the office on or after
12 April 1, 2016, shall be subject to the provisions of R.S. 47:1675(A)(7).

13 * * *

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

17 * * *

18 §6025. Tax credit for Louisiana Citizens Property Insurance Corporation assessment

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

25 * * *

26 §6026. Cane River heritage tax credit

27 * * *

28 D.

29 * * *

1 (2) ~~The~~ Subject to the provisions of R.S. 47:1675(A)(7), the tax credit
 2 authorized by the provisions of this Section shall be for an amount of up to one
 3 thousand eighty dollars, which may be used against the tax liability for state income
 4 and corporation franchise taxes related to the operations of the cottage industry
 5 within the development zone.

6 (3) In addition, the department may also enter into contracts with eligible
 7 cottage industries for a one thousand eighty dollar tax credit per new employee hired
 8 during the taxable year for which the credit is claimed, subject to the provisions of
 9 R.S. 47:1675(A)(7). In order to qualify for this credit, the applicant must have net
 10 new hires of one full-time employee or two part-time employees. A full-time
 11 employee is a person employed for at least thirty-two hours per week. A part-time
 12 employee is a person employed for at least twenty hours per week but less than
 13 thirty-two hours a week. In order to qualify as a new hire for purposes of this credit,
 14 the employee must have been a resident of the heritage area development zone for
 15 at least thirty days prior to employment. The credit may be applied to any state
 16 income tax liability or any state corporate franchise tax liability, but shall not be
 17 applied to any liabilities for penalty or interest due or outstanding at the time the
 18 credit is generated. This credit shall be applicable only to a position that did not
 19 previously exist in the business and that is filled by a resident of the development
 20 zone who is performing duties in connection with the operation of the business as a
 21 regular, full-time employee.

* * *

23 §6032. Tax credit for certain milk producers

* * *

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

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

1	Amount of Milk Produced:	Amount of Tax Credit:
2	Up to 1,000,000 pounds	\$ 3,600
3	1,000,001 to 1,500,000 pounds	\$ 7,200
4	1,500,001 to 2,000,000 pounds	\$10,800
5	2,000,001 to 2,500,000 pounds	\$14,400
6	2,500,001 to 3,000,000 pounds	\$18,000
7	3,000,001 pounds and above	\$21,600

8 * * *

9 F. ~~The~~ Subject to the provisions of R.S. 47:1675(A)(7), the credit allowed
10 for each producer pursuant to this Section shall not exceed twenty-one thousand six
11 hundred dollars per calendar year. The total aggregate amount of tax credits for all
12 producers provided for under this Section shall be capped at one million eight
13 hundred thousand dollars per calendar year.

14 * * *

15 §6034. Musical and theatrical production income tax credit

16 * * *

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

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

21 (a)

22 * * *

23 (ii)

24 * * *

25 (bb)(I) For state-certified higher education musical or theatrical
26 infrastructure projects that receive initial certification before July 1, 2015, a base
27 investment credit may be earned for expenditures made in the state on or before
28 January 1, 2022, for the construction, repair, or renovation of a new state-certified
29 higher education musical or theatrical facility infrastructure project, or for

1 investments made by a company or a financier in such infrastructure project that are,
2 in turn, expended for such construction, repair, or renovation. No more than ten
3 million dollars in tax credits per project or sixty million dollars total in tax credits
4 shall be granted for state-certified higher education musical or theatrical
5 infrastructure projects for projects that receive initial certification before July 1,
6 2015. Twenty-five percent of the total base investment provided for in the initial
7 certification letter of a state-certified higher education musical or theatrical
8 infrastructure project must be expended on or before January 1, 2020, in order for the
9 project to earn credits for the remaining estimated base investment provided for in
10 the initial certification letter, as expenditures are made in the state on or before
11 January 1, 2022. No credits shall be certified until the state-certified higher
12 education musical or theatrical infrastructure project is complete. The initial
13 certification letter shall be effective for qualified expenditures made no more than
14 six months prior to the date of application. State-certified higher education musical
15 or theatrical infrastructure projects shall not be subject to the provisions of Subitem
16 (cc) of this Item nor shall such projects be subject to the provisions of Subsection H
17 of this Section.

18 (II) For state-certified higher education musical or theatrical infrastructure
19 projects that receive initial certification on or after July 1, 2015, ~~and on or before~~
20 ~~January 1, 2018~~, a base investment credit may be earned for expenditures made in
21 the state on or before January 1, 2022, for the construction, repair, or renovation of
22 a new state-certified higher education musical or theatrical facility infrastructure
23 project, or for investments made by a company or a financier in such infrastructure
24 project that are, in turn, expended for such construction, repair, or renovation. No
25 more than seven million two hundred thousand dollars in tax credits per project or
26 forty-three million two hundred thousand dollars total in tax credits shall be granted
27 for state-certified higher education musical or theatrical infrastructure projects that
28 receive initial certification on or after July 1, 2015, ~~and on or before January 1, 2018~~.
29 Tax credits authorized pursuant to this Section for project applications submitted to

1 the office on or after April 1, 2016, shall be subject to the provisions of R.S.
2 47:1675(A)(7). Twenty-five percent of the total base investment provided for in the
3 initial certification letter of a state-certified higher education musical or theatrical
4 infrastructure project must be expended on or before January 1, 2020, in order for the
5 project to earn credits for the remaining estimated base investment provided for in
6 the initial certification letter, as expenditures are made in the state on or before
7 January 1, 2022. No credits shall be certified until the state-certified higher
8 education musical or theatrical infrastructure project is complete. The initial
9 certification letter shall be effective for qualified expenditures made no more than
10 six months prior to the date of application. State-certified higher education musical
11 or theatrical infrastructure projects shall not be subject to the provisions of Subitem
12 (cc) of this Item nor shall such projects be subject to the provisions of Subsection H
13 of this Section.

* * *

15 (iii)(aa) For state-certified projects that receive initial certification prior to
16 July 1, 2015, and except as limited for state-certified infrastructure projects as
17 provided for in this Subparagraph, the base investment credit shall be for the
18 following amounts:

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

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

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

28 (bb) For state-certified projects that receive initial certification on or after
29 July 1, 2015, and except as limited for state-certified infrastructure projects as

1 provided for in this Subparagraph, the base investment credit shall be for the
2 following amounts:

3 (I) If the total base investment is greater than one hundred thousand dollars
4 and less than or equal to three hundred thousand dollars, a company shall be allowed
5 a tax credit of seven and two-tenths of one percent of the base investment made by
6 that company. Tax credits authorized pursuant to this Section for projects that
7 receive initial certification on or after April 1, 2016, shall be subject to the provisions
8 of R.S. 47:1675(A)(7).

9 (II) If the total base investment is greater than three hundred thousand dollars
10 and less than or equal to one million dollars, a company shall be allowed a tax credit
11 of fourteen and four-tenths of one percent of the base investment made by that
12 company. Tax credits authorized pursuant to this Section for projects that receive
13 initial certification on or after April 1, 2016, shall be subject to the provisions of R.S.
14 47:1675(A)(7).

15 (III) If the total base investment is greater than one million dollars, a
16 company shall be allowed a tax credit of eighteen percent of the base investment
17 made by that company. Tax credits authorized pursuant to this Section for projects
18 that receive initial certification on or after April 1, 2016, shall be subject to the
19 provisions of R.S. 47:1675(A)(7).

20 (c)(i) For state-certified musical or theatrical productions that receive an
21 initial certification before July 1, 2015, an additional tax credit of one tenth of one
22 percent of the amount expended to employ students enrolled in Louisiana colleges,
23 universities, and vocational-technical schools in a state certified musical or theatrical
24 production in arts-related positions, such as an actor, writer, producer, stagehand, or
25 director, or as a technician working on aspects of the production such as lighting,
26 sound, and actual stage work, or working indirectly on the production in accounting,
27 law, management, and marketing.

28 (ii) For state-certified musical or theatrical productions that receive an initial
29 certification on or after July 1, 2015, ~~and on or before January 1, 2018,~~ an additional

1 tax credit of seventy-two thousandths of one percent of the amount expended to
2 employ students enrolled in Louisiana colleges, universities, and vocational-
3 technical schools in a state certified musical or theatrical production in arts-related
4 positions, such as an actor, writer, producer, stagehand, or director, or as a technician
5 working on aspects of the production such as lighting, sound, and actual stage work,
6 or working indirectly on the production in accounting, law, management, and
7 marketing. Tax credits authorized pursuant to this Section for projects that receive
8 initial certification on or after April 1, 2016, shall be subject to the provisions of R.S.
9 47:1675(A)(7).

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

19 (ii) To the extent that base investment is expended on payroll for Louisiana
20 residents employed in connection with a state-certified musical or theatrical
21 production that receives initial certification on or after July 1, 2015, ~~and on or before~~
22 ~~January 1, 2018~~; except for the students provided for in Subparagraph (c) of this
23 Paragraph, or the construction of a state-certified musical or theatrical facility
24 infrastructure project, a company shall be allowed an additional tax credit of seven
25 and two-tenths of one percent of such; however, if the amount paid to any one person
26 exceeds one million dollars, the additional credit shall not include any amount paid
27 to that person that exceeds one million dollars. Tax credits authorized pursuant to

1 this Section for projects that receive initial certification on or after April 1, 2016,
2 shall be subject to the provisions of R.S. 47:1675(A)(7).

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 thirty-six
9 percent of the cost of the qualified clean-burning motor vehicle fuel property, subject
10 to the provisions of R.S. 47:1675(A)(7).

11 * * *

12 D. In cases where no previous credit has been claimed pursuant to
13 Subsection C of this Section for the cost of qualified clean-burning motor vehicle
14 fuel property in a new motor vehicle purchased by a taxpayer with qualified
15 clean-burning motor vehicle fuel property installed by the vehicle's manufacturer and
16 the taxpayer is unable to, or elects not to determine the exact cost which is
17 attributable to such property, the taxpayer may claim a credit against individual or
18 corporate income tax for the taxable period in which the motor vehicle is purchased
19 equal to seven and two tenths percent of the cost of the motor vehicle or one
20 thousand five hundred dollars, whichever is less, subject to the provisions of R.S.
21 47:1675(A)(7), provided the motor vehicle is registered in this state.

22 * * *

23 §6036. Ports of Louisiana tax credits

24 * * *

25 C. Investor tax credit. (1)(a) ~~There~~ Subject to the provisions of R.S.
26 47:1675(A)(7), ~~there~~ are hereby authorized the following credits against state income
27 and corporate franchise tax:

28 * * *

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

* * *

I. Import-export cargo tax credit.

* * *

26 (2)(a)(i) For taxable years beginning on and after January 1, 2014, there shall
27 be allowed a credit against the individual income, corporation income, and
28 corporation franchise tax liability of a taxpayer who has received certification
29 pursuant to the provisions of Paragraph (1) of this Subsection; provided that the

1 credit shall be allowed only against the tax liability of the international business
 2 entity which receives the certification. ~~The~~ Subject to the provisions of R.S.
 3 47:1675(A)(7), the amount of the credit shall be equal to the product of multiplying
 4 three dollars and sixty cents by the taxpayer's number of tons of qualified cargo for
 5 the taxable year which exceeds the pre-certification tonnage or the product of
 6 multiplying the number of dollars by the taxpayer's number of tons of qualified cargo
 7 for the taxable year or portion of a taxable year which exceeds the pre-certification
 8 tonnage which is warranted by the significant positive economic benefit determined
 9 by the commissioner pursuant to Item (ii) of this Subparagraph, whichever is less.
 10 For purposes of this Item, "pre-certification tonnage" means the number of tons of
 11 cargo which meets the definition of qualified cargo for purposes of this credit, and
 12 which was owned by the international business entity receiving the credit, were
 13 imported or exported to or from a manufacturing, fabrication, assembly, distribution,
 14 processing, or warehouse facility located in Louisiana, and which were so moved by
 15 way of an oceangoing vessel berthed at public port facilities in Louisiana during the
 16 2013 calendar year. However, each tax credit granted to a taxpayer shall be subject
 17 to the same limit as is provided for a qualifying project pursuant to Subparagraph
 18 (C)(1)(b) of this Section. In addition, the import-export cargo tax credits granted by
 19 the department to any recipient pursuant to this Section shall be limited to an amount
 20 which shall not result in a reduction of tax liability by all recipients of such credits
 21 to exceed four million five hundred thousand dollars in any fiscal year.

* * *

§6037. Tax credit for "green job industries"

* * *

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

(1) There is hereby authorized a base investment tax credit for certified,
 verified, and approved expenditures in the state for the construction, repair, or
 renovation of a state-certified green project, or for investments made by a company
 or a financier in such project which are, in turn, expended for such construction,

1 repair, or renovation, not to exceed seven hundred twenty thousand dollars per state-
2 certified green project. No more than three million six hundred thousand dollars in
3 tax credits under this Section shall be granted for state-certified green projects per
4 year.

5 (a) If all or a portion of a project is a facility ~~which~~ that may be used for
6 other purposes not directly related to the green job industry, ~~then~~ the project shall be
7 approved only if a determination is made that the multiple-use facility will support
8 and will be necessary to secure support industries for the green job industry, and the
9 applicant provides sufficient contractual assurances the facility will be used for
10 support industries or as a component thereof, for the useful life of the facility.

11 (b) No tax credits shall be earned on multiple-use facilities until the facility
12 directly used in the green job industries is complete.

13 (2)(a) ~~Tax~~ Subject to the provisions of R.S. 47:1675(A)(7), tax credits for
14 state-certified green projects shall be earned only as follows:

15 (i) Twenty-five percent of the total base investment provided for in the initial
16 certification of a project pursuant to Subsection D of this Section shall be certified,
17 verified, and approved as expended before any credits may be earned.

18 (ii) No tax credit shall be allowed for expenditures made for any state-
19 certified green project two years after its initial certification, unless fifty percent of
20 total base investment provided for in the initial certification of the project has been
21 expended prior to that time. The expenditures may be finally certified at a later date.

22 (iii) The initial certification may require the tax credits to be taken or
23 transferred in the tax period in which the credit is earned, or the tax credit may be
24 structured in the initial certification of the project to provide that only a portion of
25 the tax credit be taken over the course of two or more tax years.

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

28 (i) If the total base investment is greater than one hundred thousand dollars
29 and less than or equal to three hundred thousand dollars, a company shall be allowed

1 a tax credit of seven and two tenths of one percent of the base investment made by
2 that company.

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

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

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

16 (d) To the extent that base investment is expended on payroll for Louisiana
17 residents employed in connection with a state-certified green project, who are
18 graduates of an institution within the Louisiana Community and Technical College
19 System or graduates of an apprenticeship program registered with the Louisiana
20 Workforce Commission, each investor shall be allowed an additional tax credit of
21 seventy-two one hundredths of one percent of such payroll.

22 * * *

23 Section 3. R.S. 51:2354(A) and 2399.3(A)(2)(a) are hereby reenacted and
24 R.S. 51:1787(A)(1)(b) and (2)(a) and (b), 1807(C), 2354(A) and (B), 2399.3(A)(2)(a)
25 and (b) 2354(B), 2399.3(A)(2)(b), and 3085(B)(1)(a) are hereby amended and
26 reenacted to read as follows:

1 §1787. Incentives

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

5 (1) For either:

6 * * *

7 (b) A refundable investment income tax credit equal to one and one-half
8 percent of the amount of qualified expenditures. For purposes of this Paragraph, the
9 term "qualified expenditures" shall mean amounts classified as capital expenditures
10 for federal income tax purposes plus exclusions from capitalization provided for in
11 Internal Revenue Code Section 263(a)(1)(A) through (L), minus the capitalized cost
12 of land, capitalized leases of land, capitalized interest, capitalized costs of
13 manufacturing machinery and equipment to the extent the capitalized manufacturing
14 machinery and equipment costs are excluded from sales and use tax pursuant to R.S.
15 47:301(3), and the capitalized cost for the purchase of an existing building. When
16 a taxpayer purchases an existing building and capital expenditures are used to
17 rehabilitate the building, the costs of the rehabilitation only shall be considered
18 qualified expenditures. Additionally, a taxpayer shall be allowed to increase their
19 qualified expenditures to the extent a taxpayer's capitalized basis is properly reduced
20 by claiming a federal credit. A taxpayer earns the investment tax credit in the year
21 in which the project is placed in service, but the taxpayer may not claim the
22 investment tax credit until the Department of Economic Development signs the
23 project completion report or such other time as provided for by rule or regulation.
24 The project completion report for the refundable investment tax credit shall adhere
25 to the same requirements found in Subparagraph (a) for the sales and use tax rebate.
26 Investment income tax credits authorized for projects for which an advance
27 notification was filed on or after April 1, 2016, shall be subject to the provisions of
28 R.S. 47:1675(A)(7).

1 §1807. Incentives

2 * * *

3 C. The board, after consultation with the secretaries of the Department of
4 Economic Development and the Department of Revenue and with the approval of the
5 governor, may enter into contracts to provide for a three thousand six hundred dollar
6 tax credit per net new employee as determined by the company's average annual
7 employment reported under the Louisiana Employment Security Law. This tax
8 credit may be applied to any state income tax liability or any state franchise tax
9 liability and shall be used for the taxable year in which the increase in average
10 annual employment occurred. Tax credits authorized for projects for which an
11 advance notification was filed on or after April 1, 2016, shall be subject to the
12 provisions of R.S. 47:1675(A)(7). However, if the entire credit cannot be used in the
13 year earned, the excess of the credit over the aggregate tax liabilities against which
14 the credit can be applied shall constitute an overpayment, as defined in R.S.
15 47:1621(A), and the secretary shall make a refund of such overpayment from the
16 current collections of the taxes imposed by Chapter 1 and Chapter 5 of Subtitle II of
17 Title 47 of the Louisiana Revised Statutes of 1950, as amended. The right to a
18 refund of any such overpayment shall not be subject to the requirement of R.S.
19 47:1621(B).

20 * * *

21 §2354. Technology commercialization credit; amount; duration; forfeit

22 A. For applications for the technology commercialization credit approved
23 prior to July 1, 2015, the following shall apply:

24 (1) Except as provided in Paragraph (2) of this Subsection, the taxpayer may
25 earn and apply for and, if qualified, be granted a refundable tax credit which may be
26 applied to any income or corporation franchise tax liability owed to the state by the
27 taxpayer seeking to claim the credit, equal in value to forty percent of the amount of
28 money invested by the taxpayer applicant in commercialization costs for one

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

3 (2) 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 percent multiplied by the gross payroll
9 of new direct jobs meeting the requirements of R.S. 51:2353(C)(3) and (4) as
10 certified by the Department of Economic Development.

11 B. For applications for the technology commercialization credit approved on
12 or after July 1, 2015, the following shall apply:

13 (1) Except as provided in Paragraph (2) of this Subsection, the taxpayer may
14 earn and apply for and, if qualified, be granted a refundable tax credit which may be
15 applied to any income or corporation franchise tax liability owed to the state by the
16 taxpayer seeking to claim the credit, equal in value to twenty-eight and eight-tenths
17 of one percent of the amount of money invested by the taxpayer applicant in
18 commercialization costs for one business location meeting the requirements of R.S.
19 51:2353(C)(1) and (2) as certified by the Department of Economic Development.
20 Tax credits authorized for project applications filed on or after April 1, 2016, shall
21 be subject to the provisions of R.S. 47:1675(A)(7).

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

1 as a credit in the amount of one-third of the reduced portion of the credit on the
2 taxpayer's return for each of the taxable years beginning during calendar years 2017,
3 2018, and 2019.

4 Section 8. The provisions of Sections 1, 2, and 3 of this Act shall become
5 effective on July 1, 2015 ~~and shall remain effective through June 30, 2018. The~~
6 ~~provisions of Sections 4, 5, and 6 of this Act shall become effective on July 1, 2018~~
7 ~~and shall apply to original returns filed on or after July 1, 2018.~~

8 Section 2. Sections 4, 5, and 6 of Act No. 125 of the 2015 Regular Session of the
9 Legislature are hereby repealed in their entirety.

10 Section 3. This Act shall become effective upon signature by the governor or, if not
11 signed by the governor, upon expiration of the time for bills to become law without signature
12 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
13 vetoed by the governor and subsequently approved by the legislature, this Act shall become
14 effective on the day following such approval.

DIGEST

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

HB 98 Original

2016 First Extraordinary Session

Jay Morris

Abstract: Amends Act 125 of the 2015 R.S., adds certain Enterprise Zone tax credits, and limits the amount by which the aggregate amount of corporate income tax credits and corporation franchise tax credits may reduce corporate income tax and corporation franchise tax liability.

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

- (1) R.S. 25:1226.4 Atchafalaya Trace Heritage Area Development Zone tax credit
- (2) R.S. 47:34 Corporation tax credit
- (3) R.S. 47:35 Neighborhood assistance tax credit
- (4) R.S. 47:37 Credit for contributions to educational institutions
- (5) R.S. 47:227 Offset against tax; insurance premium
- (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 Miscellaneous income tax credits for individuals
- (16) R.S. 47:297.6 Credit for rehabilitation of residential structures
- (17) R.S. 47:297.9 Certain military servicemembers and dependents hunting and fishing licenses
- (18) R.S. 47:6004 Employer Credit
- (19) R.S. 47:6005 Qualified new recycling manufacturing equipment and service contracts
- (20) R.S. 47:6008 Credit for donations to assist playgrounds in economically depressed areas
- (21) R.S. 47:6009 Louisiana Basic Skills Training Tax Credit
- (22) R.S. 47:6012 Employer tax credits for donations of materials, equipment, advisors, or instructors
- (23) R.S. 47:6013 Credit for donations to public schools
- (24) R.S. 47:6017 Credit for expenses paid by economic development corporations
- (25) R.S. 47:6018 Credit for purchasers from "PIE contractors"
- (26) R.S. 47:6020 Angel Investor tax credit program
- (27) R.S. 47:6022 Digital interactive media and software tax credit
- (28) R.S. 47:6023 Sound recording investor tax credit
- (29) R.S. 47:6025 Credit for La. Citizens Property Insurance Corp. assessment
- (30) R.S. 47:6026 Cane River heritage tax credit
- (31) R.S. 47:6032 Credit for certain milk producers
- (32) R.S. 47:6034 Musical and theatrical production income tax credit
- (33) R.S. 47:6035 Credit for conversion of vehicles to alternative fuel usage
- (34) R.S. 47:6037 Credit for "green job industries"

- (35) R.S. 51:1807 Incentives (Urban Revitalization)
- (36) R.S. 51:2354 Technology commercialization credit
- (37) R.S. 51:2399.3 Modernization tax credit

Proposed law retains present law and adds the investment income tax credit and net new job tax credit authorized under the Enterprise Zone Program (R.S. 51:1787).

Proposed law limits the amount by which corporate income tax liability and corporation franchise tax liability may be reduced after application of corporate income tax credits and corporation franchise tax credits. Prohibits the aggregate amount of tax credits from reducing corporate income tax liability or corporation franchise tax liability to below 25% of the original tax liability before application of the tax credits.

Proposed law repeals the three-year sunset on the 28% reductions to tax credits in Act No. 125 of the 2015 R.S., making the reductions permanent.

Effective upon signature of the governor or lapse of time for gubernatorial action.

Amends R.S. 25:1226.4(C)(1) and (2), R.S. 47:34(B)(1), 35(C), 37(C), 227, 265, 287.664, 287.748(B)(1), 287.749(B), 287.752(B)(1), 287.753(C), 287.755(C), 287.758(B), 287.759(A) and (C)(3), 297(G)(2), (H)(1), (I)(2), (J)(4), (K)(2)(a), (L)(3) and (N), 6004(A)(2), 6005(D)(1), 6008(A), 6009(D)(1), 6013(A), 6017(A), 6018(C), 6020(D)(2)(a), 6022(D)(3), 6023(C)(1), 6026(D)(2) and (3), 6032(F), 6034(C)(1)(a)(ii)(bb) and (iii), (c), and (d), 6035(C)(1) and (D), 6036(C)(1)(a)(intro. para.) and (I)(2)(a)(i), and 6037(B)(1) and (2), and R.S. 51:1787(A)(1)(b) and (2)(a) and (b), 1807(C), 2354(B), 2399.3(A)(2)(b), and 3085(B)(1)(a); Adds R.S. 47:1675(A)(7); Repeals §§4, 5, and 6 of Act No. 125 of 2015 R.S.)