
DIGEST

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Johnson

HB No. 688

Abstract: Authorizes a tax credit against all La. income or corporation franchise taxes for businesses which offer essential services for qualified expenses or investments made in preparation for the business to remain open to serve the public during an emergency situation or natural disaster.

Proposed law authorizes a tax credit against all La. income or corporation franchise taxes for businesses which offer essential services for qualified expenses or investments made in preparation for the business to remain open to serve the public during and immediately after an emergency situation or natural disaster. The amount of the tax credit for qualified expenses or investments of less than \$20,000 shall be equal to the actual amount of the expenses or \$5,000, whichever is less. The amount of the credit for qualified expenses or investments in excess of \$20,000 shall be equal to the actual amount of the expenses or \$25,000, whichever is less. No taxpayer shall be granted a credit for more than three years in a five-year period.

Proposed law defines "essential services" as services rendered to the general public necessary to protect the health, welfare, and safety of the public. Further defines an "emergency situation" as the period of time in which a mandatory evacuation order is issued by a local governing authority or a gubernatorially declared disaster in anticipation of a weather event such as a hurricane or tropical storm.

Proposed law provides that "qualified expenses or investments" are expenses or investments made by a business which offers emergency services to the public during emergency situations in anticipation of preparing the business to remain open during the emergency situation.

Proposed law provides that in order for a business to qualify for the tax credit, the business shall remain open to the general public during the duration of the emergency situation. Additionally, the business shall post a sign in a prominent place easily viewed by the public that the business shall remain open during the emergency situation. Any business which closes for any portion of the emergency situation shall not be eligible for the credit.

Proposed law provides that if the amount of the tax credit exceeds the taxpayer's tax liability, then any unused or excess credit may be carried forward for a period not to exceed 10 years.

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

(Adds R.S. 47:6039)

