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## DIGEST

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HB 804 Original

2015 Regular Session

Adams

**Abstract:** Changes the tax credit for qualified research expenses for certain employers from a refundable credit to a credit in which amounts of the credit above the tax liability may be carried forward and applied against subsequent tax liability for up to five years.

Present law authorizes a refundable income and corporation franchise tax credit for certain taxpayers who employ 50 or more persons and claim a federal income tax credit for increasing research activities. This tax credit is also available for taxpayers who employ less than 50 employees if the employer meets certain eligibility requirements. The amount of the credit ranges from 8% to 40% of the La. qualified research expenses for the taxable year depending on the number of employees the employer employs minus a base amount.

Present law additionally provides for a refundable tax credit for a taxpayer who receives a federal Small Business Innovation Research Grant tax credit in an amount equal to 40% of the award received during the tax year.

Proposed law changes the tax credit from a refundable credit to one in which credit amounts which exceed taxpayer liability may be carried forward against subsequent income or corporation franchise tax liability for up to five years.

Present law prohibits credits from being issued for research expenditures incurred or Small Systems Business Innovation Research Grant funds received after Dec. 31, 2019.

Proposed law retains present law.

Applicable to tax years beginning on or after Jan. 1, 2015.

(Amends R.S. 47:6015(B)(1) and (2) and (D))