

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), 6014(A), 6016.1(B)(1) and

9 (E)(5), 6017(A), 6018(C), 6019(A)(1)(a), 6023(C)(1) and (3)(a), 6025(A)(1),

10 6026(D)(2) and (3), 6030(B)(1) and (2)(a), 6032(C) and (F), 6034(C)(1)(a)(ii)(bb),

11 (C)(1)(a)(iii), (C)(1)(c), and (d), 6035(C)(1) and (D), and 6037(B)(1) and (2)(b), (c),

12 and (d), and R.S. 51:1807(C), 1924(B)(1) and (2), 2354(A) and (B), 2399.3(A)(2)(a)

13 and (b), and 3085(B)(1)(a) and to enact R.S. 47:297.4(A)(1)(a)(iii), 6006(D)(6),

14 6006.1(E)(4), 6007(C)(1)(c)(iii) and (d), relative to income and corporate franchise

15 tax credits; to reduce the amount of tax credits; to provide for an effective date; and

16 to provide for related matters.

1 Be it enacted by the Legislature of Louisiana:

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

4 §1226.4. Tax exemptions and credits

5 * * *

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

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

28 * * *

1 Section 2. R.S. 47:33(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), 6014(A),
 7 6016.1(B)(1) and (E)(5), 6017(A), 6018(C), 6019(A)(1)(a), 6023(C)(1) and (3)(a),
 8 6025(A)(1), 6026(D)(2) and (3), 6030(B)(1) and (2)(a), 6032(C) and (F),
 9 6034(C)(1)(a)(ii)(bb), (C)(1)(a)(iii), (C)(1)(c), and (d), 6035(C)(1) and (D), and 6037(B)(1)
 10 and (2)(b), (c), and (d) are hereby amended and reenacted and R.S. 47:297.4(A)(1)(a)(iii),
 11 6006(D)(6), 6006.1(E)(4), and 6007(C)(1)(c)(iii) and (d) are hereby enacted to read as
 12 follows:

13 §33. Credit for taxes paid in other states

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

18 * * *

19 §34. Corporation tax credit

20 * * *

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

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

1 §297. Reduction to tax due

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

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

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

18 * * *

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

22 * * *

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

25 * * *

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

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

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

5 * * *

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

14 * * *

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

18 * * *

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

24 * * *

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

6 * * *

7 J.

8 * * *

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

12 K.

13 * * *

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

16 * * *

17 L.

18 * * *

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

23 * * *

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

28 * * *

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

5 * * *

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

11 * * *

12 P.

13 * * *

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

18 * * *

19 §297.2. Reduction to tax due

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

28 * * *

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

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

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

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

28 * * *

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

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

9 * * *

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

19 * * *

20 §6006. Tax credits for local inventory taxes paid

21 * * *

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

23 * * *

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

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

1 §6006.1. Tax credits for taxes paid with respect to vessels in Outer Continental
2 Shelf Lands Act Waters

3 * * *

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

5 * * *

6 (3) For ad valorem taxes on Outer Continental Shelf Lands Act Waters
7 vessels paid to political subdivisions on or after July 1, 1996, and before June 30,
8 2015, the credit shall be one hundred percent of such taxes paid.

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

12 §6007. Motion picture investor tax credit

13 * * *

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

15 (1)

16 * * *

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

19 * * *

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

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

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

1 tax liability or any state corporation franchise tax liability and, if the entire credit
2 cannot be used in the year earned, the remainder may be applied against income tax
3 or corporation franchise tax liabilities for the succeeding two tax years, or until the
4 entire credit is used, whichever occurs first.

5 * * *

6 §6012. Employer tax credits for donations of materials, equipment, advisors, or
7 instructors

8 * * *

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

20 * * *

21 §6013. Tax credits for donations made to public schools

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

29 * * *

1 §6014. Credit for property taxes paid by certain telephone companies; fund

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

10 * * *

11 §6016.1. Louisiana New Markets Jobs Act; premium tax credit

12 * * *

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

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

19 * * *

20 E.

21 * * *

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

1 community development entity elects to withdraw its request rather than receive
2 partial certification.

3 * * *

4 §6017. Tax credits for certain expenses paid by economic development corporations

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

12 * * *

13 §6018. Tax credits for purchasers from "PIE contractors"

14 * * *

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

19 * * *

20 §6019. Tax credit; rehabilitation of historic structures

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

29 * * *

1 §6023. Sound recording investor tax credit

2 * * *

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

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

16 * * *

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

20 * * *

21 §6025. Tax credit for Louisiana Citizens Property Insurance Corporation assessment

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

28 * * *

1 §6026. Cane River heritage tax credit

2 * * *

3 D.

4 * * *

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

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

24 * * *

25 §6030. Solar energy systems tax credit

26 * * *

27 B.(1) The tax credit for the purchase and installation of a system at a
28 Louisiana residence or for a system which is already installed in a newly constructed
29 home located in Louisiana shall be equal to ~~fifty~~ forty percent of the first twenty-five

1 thousand dollars of the cost of a system that is purchased and installed on or after
2 January 1, 2008, and before January 1, 2018. There shall be no tax credits
3 authorized, issued, or granted as provided in this Paragraph for systems installed
4 after December 31, 2017.

5 (2)

6 * * *

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

12 * * *

13 §6032. Tax credit for certain milk producers

14 * * *

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

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

25 * * *

26 F. The credit allowed for each producer pursuant to this Section shall not
27 exceed ~~thirty~~ twenty-four thousand dollars per calendar year. The total aggregate

1 amount of tax credits for all producers provided for under this Section shall be
2 capped at ~~two million five hundred thousand~~ two million dollars per calendar year.

3 * * *

4 §6034. Musical and theatrical production income tax credit

5 * * *

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

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

10 (a)

11 * * *

12 (ii)

13 * * *

14 (bb) For state-certified higher education musical or theatrical infrastructure
15 projects that receive initial certification on or before January 1, 2018, a base
16 investment credit may be earned for expenditures made in the state on or before
17 January 1, 2022, for the construction, repair, or renovation of a new state-certified
18 higher education musical or theatrical facility infrastructure project, or for
19 investments made by a company or a financier in such infrastructure project that are,
20 in turn, expended for such construction, repair, or renovation. No more than ~~ten~~
21 eight million dollars in tax credits per project or ~~sixty~~ forty-eight million dollars total
22 in tax credits shall be granted for state-certified higher education musical or
23 theatrical infrastructure projects. Twenty-five percent of the total base investment
24 provided for in the initial certification letter of a state-certified higher education
25 musical or theatrical infrastructure project must be expended on or before January
26 1, 2020, in order for the project to earn credits for the remaining estimated base
27 investment provided for in the initial certification letter, as expenditures are made in
28 the state on or before January 1, 2022. No credits shall be certified until the state-
29 certified higher education musical or theatrical infrastructure project is complete.

1 The initial certification letter shall be effective for qualified expenditures made no
2 more than six months prior to the date of application. State-certified higher education
3 musical or theatrical infrastructure projects shall not be subject to the provisions of
4 Subitem (cc) of this Item nor shall such projects be subject to the provisions of
5 Subsection H of this Section.

6 * * *

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

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

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

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

19 * * *

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

27 (d) To the extent that base investment is expended on payroll for Louisiana
28 residents employed in connection with a state-certified musical or theatrical
29 production, except for the students provided for in Subparagraph (c) of this

1 Paragraph, or the construction of a state-certified musical or theatrical facility
2 infrastructure project, a company shall be allowed an additional tax credit of ~~ten~~
3 eight percent of such payroll; however, if the amount paid to any one person exceeds
4 one million dollars, the additional credit shall not include any amount paid to that
5 person that exceeds one million dollars.

6 * * *

7 §6035. Tax credit for conversion of vehicles to alternative fuel usage

8 * * *

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

13 * * *

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

24 * * *

25 §6037. Tax credit for "green job industries"

26 * * *

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

28 (1) There is hereby authorized a base investment tax credit for certified,
29 verified, and approved expenditures in the state for the construction, repair, or

1 renovation of a state-certified green project, or for investments made by a company
2 or a financier in such project which are, in turn, expended for such construction,
3 repair, or renovation, not to exceed ~~one million~~ eight hundred thousand dollars per
4 state-certified green project. No more than ~~five million~~ four million dollars in tax
5 credits under this Section shall be granted for state-certified green projects per year.

6 * * *

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

9 * * *

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

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

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

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

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

27 (d) To the extent that base investment is expended on payroll for Louisiana
28 residents employed in connection with a state-certified green project, who are
29 graduates of an institution within the Louisiana Community and Technical College

1 System or graduates of an apprenticeship program registered with the Louisiana
2 Workforce Commission, each investor shall be allowed an additional tax credit of
3 eight-tenths of one percent of such payroll.

4 * * *

5 Section 3. R.S. 51:1807(C), 1924(B)(1) and (2), 2354(A) and (B), 2399.3(A)(2)(a)
6 and (b), and 3085(B)(1)(a) are hereby amended and reenacted to read as follows:

7 §1807. Incentives

8 * * *

9 C. The board, after consultation with the secretaries of the Department of
10 Economic Development and the Department of Revenue and with the approval of the
11 governor, may enter into contracts to provide for a ~~five thousand~~ four thousand dollar
12 tax credit per net new employee as determined by the company's average annual
13 employment reported under the Louisiana Employment Security Law. This tax
14 credit may be applied to any state income tax liability or any state franchise tax
15 liability and shall be used for the taxable year in which the increase in average
16 annual employment occurred. However, if the entire credit cannot be used in the
17 year earned, the excess of the credit over the aggregate tax liabilities against which
18 the credit can be applied shall constitute an overpayment, as defined in R.S.
19 47:1621(A), and the secretary shall make a refund of such overpayment from the
20 current collections of the taxes imposed by Chapter 1 and Chapter 5 of Subtitle II of
21 Title 47 of the Louisiana Revised Statutes of 1950, as amended. The right to a
22 refund of any such overpayment shall not be subject to the requirement of R.S.
23 47:1621(B).

24 * * *

25 §1924. Income tax credit or premium tax reduction

26 * * *

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

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

11 * * *

12 §3085. Tax credit

13 * * *

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

16 * * *

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

DIGEST

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

HB 629 Engrossed

2015 Regular Session

Jackson

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

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

- (1) R.S. 25:1226.4 Atchafalaya Trace Heritage Area Development Zone tax credit
- (2) R.S. 47:33 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. 47:6014 Credit for property taxes paid by certain telephone companies
- (29) R.S. 47:6016.1 Louisiana New Markets Jobs Act
- (30) R.S. 47:6017 Credit for expenses paid by economic development corporations
- (31) R.S. 47:6018 Credit for purchasers from "PIE contractors"
- (32) R.S. 47:6019 Credit for rehabilitation of historic structures (commercial)

- (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. 47:6037 Credit for "green job industries"
- (41) R.S. 51:1807 Incentives (Urban Revitalization)
- (42) R.S. 51:1924 Income tax credit or premium tax reduction
- (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 ten percent or more per taxable year.

Present law (R.S. 47:35) provides for an income tax credit against the state corporate income tax liability for any business firm engaged in certain activities of providing neighborhood assistance, job training, education for individuals, community services, or crime prevention in the state. Present law requires the business firm to submit a proposal with certain information relative to the project for approval by the commissioner of administration. A tax credit of up to 70% of the actual amount contributed is authorized, but the tax credit for any corporation shall not exceed \$250,000 annually.

Proposed law retains present law but reduces the amount of the credit from 70% to 56% and reduces the maximum credit amount from \$250,000 to \$200,000.

Present law (R.S. 47:37) provides for an income tax credit against a taxpayer's tax liability for contributions, donations, or selling below cost tangible movable property to a public educational institution for the purposes of research, research training, or direct education of students in the state. The credit allowed is 40% of the property's value, or in the case of sale below cost, 40% of the difference between the price received and the value of the property.

Proposed law retains present law but reduces the allowable credit from 40% to 32% of either the property value or the difference between the price received and the value of the property.

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

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

Present law (R.S. 47:287.748) provides for an income tax credit against the corporate income tax liability for taxpayers who employ an eligible Intensive Incarceration Program re-entrant. The credit allowed is \$150 per eligible re-entrant employed, but shall not exceed 50% of the corporate income tax.

Proposed law retains present law but reduces the credit from \$150 per eligible re-entrant to \$120 per eligible re-entrant and decreases the maximum allowable credit from 50% of the corporate income tax to 40% of the corporate income tax.

Present law (R.S. 287.749) provides for an income tax credit to be used against the tax liability of corporate income taxpayers who generate new full-time and part-time jobs in the state. This tax credit is allowed in lieu of any tax exemptions granted pursuant to the Louisiana Enterprise Zone Act, any ad valorem property tax exemptions for business or industry, or any ad valorem tax exemption allowed through the State Board of Commerce and Industry pursuant to La. Const. Art. VII, Sec. 21(F). The credit is equal to the number of new employees multiplied by varying amounts.

Proposed law retains present law but decreases the eligible amount per employee as follows:

- (1) From \$100 to \$80 per eligible new employee per taxable year.
- (2) From \$200 to \$160 per eligible new economically disadvantaged employee per taxable year.
- (3) From \$250 to \$200 per new employee who is a resident of a neighborhood with an employment rate of 10% or more per taxable year.

Present law (R.S. 47:287.752) provides for an income tax credit for each taxpayer who provides full-time employment to an individual who has been convicted of a first-time nonviolent offense. Requires certification by the employee's probation officer that the employee has successfully completed a drug treatment program, or any other court-ordered program, and that the employee has worked one hundred eighty days full-time for the employer seeking the credit. The credit allowed is \$200 per eligible employee per taxable year.

Proposed law retains present law but reduces the amount of the credit from \$200 per eligible employee to \$160 per eligible employee.

Present law (R.S. 47:287.753) provides for an income tax credit against the state corporate income tax liability for any business firm engaged in certain activities of providing neighborhood assistance, job training, education for individuals, community services, or crime prevention in the state. Present law requires the business firm to submit a proposal with certain information relative to the project for approval by the commissioner of administration. A tax credit of up to 70% of the actual amount contributed is authorized, but the tax credit for any corporation shall not exceed \$250,000 annually.

Proposed law retains present law but reduces the amount of the credit from 70% to 56% and decreases the maximum tax credit amount from \$250,000 to \$200,000.

Present law (R.S. 47:287.755) provides for an income tax credit against a taxpayer's tax liability for contributions, donations, or selling below cost tangible movable property to a public educational institution for the purposes of research, research training, or direct education of students in the state. The credit allowed is computed at the rate of 40% of the property's value, or in the case of sale below cost, 40% of the difference between the price received and the value of the property.

Proposed law retains present law but reduces the allowable credit rates from 40% to 32% of either the property value or the difference between the price received and the value of the property.

Present law (R.S. 47:287.758) provides an income tax credit for taxpayers for certain bone marrow donor expenses. The amount of the credit is 25% of the bone marrow donor expenses incurred during the tax year by an employer to provide the program.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Present law (R.S. 47:297(I)) provides an income tax credit for taxpayers for certain bone marrow donor expenses. The amount of the credit is 25% of the bone marrow donor expenses incurred during the tax year by an employer to provide the program.

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

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

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

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

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

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

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

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

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

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

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

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

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

Present law (R.S. 47:297.6) 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. 47:6014) provides for an income and corporation franchise tax credit for ad valorem taxes paid to political subdivisions by a telephone company for the company's public service properties. The amount of the credit is equal to 40% of the aggregate ad valorem taxes paid by the telephone company to the political subdivision.

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

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

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

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

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

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

Proposed law retains present law but reduces the amount of the credit from an amount not to exceed 25% of the eligible costs and expenses to an amount not to exceed 20% and

reduces the amount a taxpayer is able to claim for any number of structures rehabilitated within a particular downtown development district or cultural district from \$5 million to \$4 million.

Present law (R.S. 47:6023) 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. 47:6037) 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. 51:1924) provides an income tax credit for a taxpayer who invests in the certified capital of a certified La. capital company. The credit is equal to 35% of the taxpayer's cash investment.

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

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

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

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

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

Effective July 1, 2015 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), 6014(A), 6016.1(B)(1) and (E)(5), 6017(A), 6018(C), 6019(A)(1)(a), 6023(C)(1) and (3)(a), 6025(A)(1), 6026(D)(2) and (3), 6030(B)(1) and (2)(a), 6032(C) and (F), 6034(C)(1)(a)(ii)(bb), (C)(1)(a)(iii), (C)(1)(c), and (d), 6035(C)(1) and (D), and 6037(B)(1) and (2)(b), (c), and (d) and R.S. 51:1807(C), 1924(B)(1) and (2), 2354(A) and (B), 2399.3(A)(2)(a) and (b), and 3085(B)(1)(a); Adds R.S. 47:297.4(A)(1)(a)(iii), 6006(D)(6), 6006.1(E)(4), and 6007(C)(1)(c)(iii) and (d)

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.