The original instrument was prepared by Leonore F. Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by Thomas L. Tyler.

DIGEST 2017 Regular Session

Morrell

<u>Present law</u> provides for income and corporation tax credits for a percentage of the cost of certain qualifying activities.

<u>Proposed law</u> provides that the following credits cannot be earned for the qualifying activities after June 30, 2017:

(1) Certain refunds issued by utilities. (R.S. 47:265 and 287.664)

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- (2) Tax credit for bone marrow donor expense. (R.S. 47:287.758)
- (3) Employer credit (Employment of the Previously Unemployed). (R.S. 47:6004)
- (4) Tax credits for donations made to assist playgrounds in economically depressed areas. (R.S. 47:6008)
- (5) Louisiana Basic Skills Training Tax Credit. (R.S. 47:6009)
- (6) Employer tax credits for donations of materials, equipment, advisors, or instructors. (R.S. 47:6012)
- (7) Tax credits for donations made to public schools. (R.S. 47:6013)
- (8) Tax credits for certain expenses paid by economic development corporations. (R.S. 47:6017)
- (9) Tax credits for purchasers from "PIE contractors". (R.S. 47:6018)
- (10) Louisiana Community Development Financial Institutions Tax credit. (R.S. 47:3085)

<u>Present law</u> provides businesses a retention and modernization tax credit for modernization of their existing state operations that meet certain qualifications.

<u>Proposed law</u> authorizes the recapture of the retention and modernization tax credit by the Department of Revenue if the business does not maintain the same statewide number of employees for five years after receiving the credit.

Present law includes tax credits and exemptions that are expired.

Proposed law repeals the following expired tax credits and exemptions:

- (1) State low income housing credit. (R.S. 47:12)
- (2) Neighborhood assistance tax credit. (R.S. 47:35 and 287.753)
- (3) Tax credit for environmental equipment purchases. (R.S. 47:287.756)
- (4) Tax credit for employee and dependent health insurance coverage. (R.S. 47:287.759)
- (5) Louisiana Motion Picture Incentive Act (tax credit and sales tax exemption). (R.S. 47:301(10)(a)(vi)
- (6) Brownfields Investor Tax Credit. (R.S. 47:6021)
- (7) Louisiana Capital Companies Tax Credit Program. (R.S. 51:1921 1935)

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

(Amends R.S. 47:265, 287.664, 287.758(B), 6008(A), 6009(D)(1), 6012(B), 6013(A), and 6017(A) all as amended by §2 of Act No. 125 of the 2015 RS, 6004(A)(1) and (C), to enact R.S. 47:6018(G), R.S. 51:2399.4(C)(3) and 3085(B)(5), and to repeal R.S. 47:265, 287.664, 287.758(B), 6008(A), 6009(D)(1), 6012(B), 6013(A), and 6017(A) all as amended by §5 of Act No. 125 of the 2015 RS, R.S. 47:12, 35, 287.753, 287.756, 287.759, 301(10)(a)(vi), and 6021, R.S. 51:1921 through 1935)

Summary of Amendments Adopted by Senate

<u>Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to</u> the engrossed bill

- 1. Deletes certain credits from June 30, 2017 sunset provisions.
- 2. Removes provisions reducing ad valorem tax credits by 25% for inventory and natural gas, offshore vessels, and certain telephone companies.
- 3. Removes provisions imposing a \$65 million annual cap on historic rehabilitation activities.