

2019 Regular Session

HOUSE BILL NO. 607

BY REPRESENTATIVE FOIL

TAX CREDITS: Provide for the public-private partnership investment program and authorizes the issuance of tax credits

1 AN ACT

2 To enact R.S. 47:6040, relative to tax credits; to establish a tax credit program for public-
3 private partnership investment in Louisiana infrastructure projects; to provide for the
4 amount of the credit; to provide for definitions; to establish eligibility requirements
5 for tax credit recipients; to provide for certification requirements; to provide for the
6 administration of the credit; to authorize the promulgation of rules and regulations;
7 to provide for implementation of the tax credit program; to provide for certain
8 limitations and requirements; to provide for an effective date; and to provide for
9 related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 47:6040 is hereby enacted to read as follows:

12 §6040. Louisiana-based public-private partnership investment tax credit program;
13 applications; limitations

14 A. Purpose. The primary purpose of this Section is to establish a tax credit
15 program to fund a public-private partnership project office in Baton Rouge,
16 Louisiana to undertake the work necessary to prepare infrastructure projects in
17 Louisiana for public-private investment. It is in the best interest of this state to
18 promote the development of public infrastructure projects that are funded through
19 a partnership of the private sector and state and local governmental entities in
20 Louisiana.

1 B. Tax Credit.

2 (1) There is hereby authorized a tax credit that can be used to offset any tax
3 imposed by the state of Louisiana, including but not limited to, income and corporate
4 franchise taxes, individual income taxes, insurance premium taxes, and bank taxes.

5 (2) The total aggregate amount of credits which may be certified and granted
6 by the secretary of the Department of Revenue in accordance with the provisions in
7 this Section shall not exceed fifty-five million dollars.

8 (3) Tax credits certified and granted by the secretary of the Department of
9 Revenue shall remain in effect until utilized.

10 (4) Tax credits granted by the Department of Revenue may be sold or
11 transferred to any third party.

12 (5) Tax credits granted by the Department of Revenue shall become
13 available to offset Louisiana state tax liability at the rate of one-sixth of the value of
14 the tax credits in each of the years 2025 through 2030.

15 C. Certification and Administration.

16 (1) Tax Credit Carryforward or Repurchase. If the tax credit allowed
17 pursuant to this Section exceeds the amount of taxes due for such tax period, then the
18 taxpayer or owner may:

19 (a) Carry-forward the unused amount of tax credits to offset future tax
20 liability; or

21 (b) Make a written request to the secretary of the Department of Revenue for
22 the repurchase of those unused tax credits.

23 (c) The secretary of the Department of Revenue shall repurchase the tax
24 credits at the original purchase price paid for those tax credits, if a request is made
25 by the taxpayer or owner.

26 (2) The secretary of the Department of Revenue shall promulgate rules and
27 regulations in accordance with the Administrative Procedure Act as are necessary to
28 carry out the intent and purposes of this Section. All rules promulgated to implement
29 the provisions of this Section shall be subject to oversight and approval by the House

1 Ways and Means Committee and the Senate Committee on Revenue and Fiscal
2 Affairs.

3 D. Implementation of tax credits. Tax credits authorized pursuant to the
4 provisions of this Section shall be certified or granted after the date of enactment and
5 become eligible to be applied against tax liability at the rate of one-sixth of the value
6 of the tax credits on January 1, 2025, January 1, 2026, January 1, 2027, January 1,
7 2028, January 1, 2029, and January 1, 2030.

8 Section 2. This Act shall become effective upon signature by the governor or, if not
9 signed by the governor, upon expiration of the time for bills to become law without signature
10 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
11 vetoed by the governor and subsequently approved by the legislature, this Act shall become
12 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 607 Engrossed

2019 Regular Session

Foil

Abstract: Establishes the Public-Private Partnership Investment Tax Credit Program to encourage Louisiana infrastructure projects and provides for tax credits.

Proposed law creates the public-private partnership investment tax credit program.

Proposed law authorizes up to \$55 million in tax credits to offset any tax imposed by the state, including income and corporate franchise taxes, individual income taxes, insurance premium taxes, and bank taxes. One-sixth of the tax credits can be used in each of the years 2025 through 2030.

Proposed law provides for definitions including the Designated Special Purpose Entity (DSPE), the Louisiana Public-Private Partnership Board, and the Third Party Verification Entity (TPVE).

Proposed law provides a third party entity to verify the tax credit is use for the purpose agreed upon by the DSPE and will allow the TPVE to advance cash to the DSPE to audit the work of the P3 project office.

Proposed law further provides a credit carryforward and repurchase option for the taxpayer or owner.

Effective upon the signature of the Governor.

(Adds R.S. 47:6040)