

2021 Regular Session

HOUSE BILL NO. 690

BY REPRESENTATIVE LACOMBE

TAX/INCOME TAX: Establishes a corporate income tax deduction for certain expenses related to capital infrastructure projects

1 AN ACT

2 To enact R.S. 47:287.84, relative to corporate income tax; to establish an income tax  
3 deduction for certain expenses; to provide for the amount of the deduction; to  
4 provide for requirements and limitations; to authorize the promulgation of rules; to  
5 provide for applicability; to provide for an effective date; and to provide for related  
6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:287.84 is hereby enacted to read as follows:

9 §287.84. Deduction; expenditures for certain capital infrastructure projects

10 A.(1) In computing Louisiana taxable income, a corporation shall be entitled  
11 to deduct from taxable income expenditures incurred in the construction, repair, or  
12 renovation of capital infrastructure projects in this state which the taxpayer claiming  
13 the deduction expends to modernize facilities or movable or immovable equipment,  
14 to make facilities or movable or immovable equipment more energy efficient, or to  
15 reduce emissions. The amount of the deduction shall equal the actual amount of  
16 expenses incurred by the taxpayer or two hundred fifty thousand dollars per year,  
17 whichever is less.

18 (2) The deduction shall be earned each calendar year to the extent the  
19 taxpayer verifies in writing that expenditures qualifying for the deduction authorized

1 pursuant to the provisions of this Section have been expended during the calendar  
2 year for which the deduction is claimed.

3 (3) The deduction authorized pursuant to the provisions of this Section shall  
4 not reduce the taxpayer's Louisiana taxable income below zero.

5 B. If the secretary of the Department of Revenue finds that funds for which  
6 a taxpayer received a deduction pursuant to the provisions of this Section were not  
7 expended for expenditures qualifying for the deduction as provided in this Section,  
8 then the taxpayer's state corporate income tax for the taxable period shall be  
9 increased by an amount necessary to recapture the amount of the deduction provided  
10 pursuant to this Section. A deduction granted to a taxpayer, but later disallowed,  
11 may be recovered by the secretary of the Department of Revenue through any  
12 collection remedy authorized by R.S. 47:1561 and initiated within three years from  
13 December thirty-first of the year in which the deduction was taken.

14 C. The secretary of the Department of Revenue may promulgate rules in  
15 accordance with the Administrative Procedure Act to implement the provisions of  
16 this Section including rules related to the submission of documentation when  
17 claiming the deduction.

18 D. No deduction shall be allowed on any tax return, regardless of the tax  
19 year in which the return applies, filed after December 31, 2024.

20 Section 2. The provisions of this Act shall be applicable for tax years beginning on  
21 or after January 1, 2022.

22 Section 3. The provisions of this Act shall become effective on January 1, 2022.

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#### 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)]

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HB 690 Original

2021 Regular Session

LaCombe

**Abstract:** Establishes a corporate income tax deduction not to exceed \$250,000 per year for expenditures incurred in the construction, repair, or renovation of capital infrastructure projects to modernize facilities, to make facilities more energy efficient, or to reduce emissions.

Proposed law establishes a corporate income tax deduction for expenditures incurred in the construction, repair, or renovation of capital infrastructure projects to modernize facilities or movable or immovable equipment, to make facilities or movable or immovable equipment more energy efficient, or to reduce emissions. Further limits the amount of the deduction to the actual amount of expenses incurred by the taxpayer or \$250,000 per year, whichever is less.

Proposed law provides that the deduction is earned each calendar year to the extent the taxpayer verifies in writing that expenditures qualifying for the deduction have been expended during the calendar year for which it is claimed.

Proposed law prohibits the amount of the deduction from reducing the taxpayer's La. taxable income below zero.

Proposed law provides for the recovery and recapture of amounts claimed as a deduction if the secretary of the Dept. of Revenue finds that funds for which a taxpayer received a deduction were not expended on expenditures qualifying for the deduction.

Proposed law authorizes the promulgation of rules in accordance with present law (Administrative Procedure Act) to implement the provisions of proposed law including rules related to the submission of documentation when claiming the deduction.

Proposed law prohibits any deduction from being claimed on a tax return, regardless of the tax year in which the return applies, filed after Dec. 31, 2024.

Applicable for tax years beginning on or after Jan. 1, 2022.

Effective Jan. 1, 2022.

(Adds R.S. 47:287.84)