DIGEST

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Leger HB No. 349

Abstract: Extends applicability of the income and corporation franchise tax credit for costs associated with the rehabilitation of certain historic structures from taxable years ending prior to Jan. 1, 2012, to taxable years ending prior to Jan. 1, 2016.

Present law authorizes an income and 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 or a cultural product district. The credit shall not exceed 25% of the eligible costs and expenses of the rehabilitation. Present law prohibits a taxpayer from receiving more than $5 million of credit for any number of structures rehabilitated within a particular downtown development or cultural product district.

Present law requires that the historic structure be listed on the National Register of Historic Places or be certified by the state historic preservation office as contributing to the historical significance of the district. Further provides that eligible structures must be nonresidential real property or residential rental property.

Present law provides that if the amount of the tax credit exceeds the amount of taxes due, any unused credit may be carried forward as a credit against subsequent tax liability for a period not to exceed five years. Further provides that this credit may be used in addition to the 20% federal tax credit for such purposes.

Present law authorizes taxpayers to sell their unused tax credits to one or more individuals or entities. The tax credits may be transferred or sold by a taxpayer or any subsequent transferee an unlimited number of times.

Proposed law retains present law.

Present law provides that the provisions of present law shall be effective for all taxable years ending prior to Jan. 1, 2012.

Proposed law retains present law but extends applicability of the income and corporation franchise tax credit from taxable years ending prior to Jan. 1, 2012, to taxable years ending prior to Jan. 1, 2016.

(Amends §3 of Act No. 60 of the 2002 R.S., as amended by Act No. 12 of the 2004 1st E.S. and Act No. 182 of the 2007 R.S.)