

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

TAX CREDITS: Provides for the transferability of the income tax credit for the rehabilitation of historic commercial structures

DIGEST

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 designates that the historic structure must be located in a cultural product district or a downtown development district to apply for the tax credit.

Proposed law retains present law but changes the designation of "cultural product district" to "cultural district".

Present law authorizes taxpayers to sell their unused tax credits to other individuals or entities. There is no limit on the number of times a credit may be transferred or sold.

Present law requires transferors and transferees of tax credits to submit to the state historic preservation office and to the Dept. of Revenue a written notification of any transfer or sale of tax credits within 30 days of the transaction. Further requires the notification to include the tax credit balance prior to the transfer, the credit identification number assigned by the state historic preservation office, the remaining balance after the transfer, the amount of the transfer, and any other information required by the state historic preservation office or the Dept. of Revenue.

Proposed law retains present law but removes the state historic preservation office from the notice requirements.

Present law provides that the provisions of present law shall be effective for all taxable years ending prior to Jan. 1, 2016.

Proposed law retains present law and extends the tax credit applicability from taxable years ending prior to Jan. 1, 2016, to taxable years ending prior to Jan. 1, 2018.

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

(Amends R.S. 47:6019(A)(1)(a), (2)(a), (3)(b)(i)(cc), (B)(1)(a), and (C))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

- 1. Deletes authorization for the tax credit to apply against the premium tax.
- 2. Deletes provisions relative to claiming tax credits against premium taxes.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the engrossed bill

1. Deletes a provision which would have made historic structures located in municipalities with a population less than 15,000 people eligible for the tax credit without the necessity to create a downtown development district or a cultural district.