

2015 Regular Session

HOUSE BILL NO. 431

BY REPRESENTATIVE JACKSON

TAX CREDITS: Provides for the carry forward rather than the refund of the tax credits for certain musical and theatrical productions and certain infrastructure projects

1 AN ACT

2 To amend and reenact R.S. 47:6034(D)(1), relative to income tax credits; to provide with
3 respect to the tax credit for musical and theatrical productions and certain
4 infrastructure projects; to provide with respect to authorization for issuance of
5 refunds for tax credits which exceed taxpayer tax liability; to provide for certain
6 limitations; to provide for effectiveness; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:6034(D)(1) is hereby amended and reenacted to read as follows:

9 §6034. Musical and theatrical production income tax credit

10 * * *

11 D.(1) The credit shall be allowed against individual or corporate income tax
12 of the companies or financiers of the production or infrastructure project in
13 accordance with their share of the credit as provided for in the application for
14 certification for the production or infrastructure project. A company or financier
15 may, on a one-time basis, transfer the credit ~~or any refund of an overpayment~~ to an
16 individual or other entity including without limitation a bank or other lender,
17 provided that the transfer shall not be effective until receipt by the Department of
18 Revenue of written notice of such transfer. Transferors and transferees shall submit
19 to the Department of Revenue, in writing, a notification of any transfer of the tax
20 credit within ten business days after the transfer. The credit shall be allowed for the

1 taxable period in which expenditures eligible for a credit are expended. ~~Any excess~~
2 ~~of the credit over the income tax liability against which the credit may be applied~~
3 ~~shall constitute an overpayment, as defined in R.S. 47:1621(A), and the secretary of~~
4 ~~the Department of Revenue shall make a refund of such overpayment from the~~
5 ~~current collections of the taxes imposed by Chapter 1 of Subtitle II of this Title, as~~
6 ~~amended. The right to a refund of any such overpayment shall not be subject to the~~
7 ~~requirements of R.S. 47:1621(B).~~ If the amount of the credit exceeds the amount of
8 tax liability for the tax year, then any unused credit may be carried forward as a
9 credit against subsequent income tax for a period not to exceed five years.

10 * * *

11 Section 2. The provisions of this Act shall be applicable to tax years beginning on
12 or after January 1, 2015.

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 431 Original

2015 Regular Session

Jackson

Abstract: Changes the tax credit for certain expenditures on state-certified musical or theatrical projects and certain state-certified infrastructure projects from a refundable credit to a credit in which amounts of the credit above the tax liability may be carried forward and applied against subsequent tax liability for up to five years.

Present law authorizes an income tax credit for the following:

- (1) Certified and approved production expenditures for a state-certified musical or theatrical production or for investments made by a company or financier expended on the production.
- (2) Certified and approved expenditures for state-certified infrastructure projects which receive initial certification on or before Jan. 1, 2014, for expenditures made before Jan. 1, 2015, for the construction, repair, or renovation of a state-certified musical or theatrical facility infrastructure project or for investments made by a company or financier expended on the project.
- (3) Certain amounts expended to employ students enrolled in La. colleges and universities in a state-certified musical or theatrical production in art-related positions.
- (4) Certain amounts expended on payroll to employ La. residents in connection with state-certified musical or theatrical productions or state-certified musical or theatrical facility infrastructure projects.

- (5) Certified and approved expenditures which receive initial certification on or before Jan. 1, 2018, for state-certified higher education musical or theatrical infrastructure projects for expenditures made in the state on or before Jan. 1, 2022, for the construction, repair, or renovation of a new state-certified higher education musical or theatrical facility infrastructure project or for investments by a company or financier expended on the project.

Present law provides for the amount of the credit, which depends on the amount of the base investment, application, certification, and administration of the credit.

Proposed law retains present law.

Present law authorizes a company or financier, on a one-time basis, to transfer the credit or the refund of an overpayment; however, the transfer shall not be effective until the Dept. of Revenue receives written notice of the transfer. Further provides that the taxpayer is entitled to a refund for any allowable credit which exceeds the aggregate tax liability of the taxpayer.

Proposed law changes the tax credit from a refundable credit to one in which credit amounts which exceed taxpayer liability may be carried forward against subsequent income or corporation franchise tax liability for up to five years.

Applicable to tax years beginning on or after Jan. 1, 2015.

(Amends R.S. 47:6034(D)(1))