

CONFERENCE COMMITTEE REPORT

SB 233

2025 Regular Session

Edmonds

June 11, 2025

To the Honorable President and Members of the Senate and to the Honorable Speaker and Members of the House of Representatives.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning Senate Bill No. 233 by Senator Edmonds, recommend the following concerning the Engrossed bill:

1. That House Floor Amendment Nos. 5 and 6 proposed by Representative Carver (#3691) and adopted by the House of Representatives on June 3, 2025, be adopted.
2. That House Floor Amendment Nos. 1, 2, 3, and 4 proposed by Representative Carver (#3691) and adopted by the House of Representatives on June 3, 2025, be rejected.
3. That all House Floor Amendments proposed by Representative Emerson (#3683) and adopted by the House of Representatives on June 3, 2025, be rejected.
4. That the following amendments to the Engrossed bill be adopted:

AMENDMENT NO. 1

On page 2, delete lines 20 and 21 and insert the following:

"C.(1) For purposes of credits granted pursuant to Paragraph (A)(1) of this Section, the maximum amount of tax credits that may be granted for a calendar year, referred to hereafter in this Subsection as the "credit cap", shall be as follows:

(a) For the calendar year beginning January 1, 2026, and ending December 31, 2026, the credit cap shall be one million dollars.

(b) Beginning January 1, 2027, and each January first thereafter, the credit cap for the calendar year shall be established in accordance with the following provisions:

(i) If the secretary of the Department of Revenue determines that less than eighty percent of the credit cap amount authorized for the preceding calendar year was granted, then the credit cap for the current calendar year shall not be adjusted.

(ii) If the secretary of the Department of Revenue determines that at least eighty percent of the credit cap amount authorized for the preceding calendar year was granted, then the credit cap for the current calendar year shall be increased by one million dollars.

(c) In no event shall the credit cap for any calendar year exceed five million dollars.

(2) No later than July first of each year, the secretary of the Department of Revenue shall publish on the department's website a notice of the credit cap amount authorized for the calendar year in which the notice is published. However, when the credit cap for a calendar year reaches five million dollars, the secretary shall no longer be required to publish notice of the credit cap amount on the department's website.

(3)(a) Beginning January 1, 2027, taxpayers shall apply for the tax credit on a form and in the manner prescribed by the secretary of the Department of Revenue. The application period shall begin on January first and conclude on February twenty-eighth of each calendar year following the calendar year in which the credit is deemed earned. Eligible applications shall be approved by

the department on a first-come, first-served basis as determined by the date and time that a completed application is received by the department. An application shall not be considered complete until all information requested by the department has been received. A taxpayer is deemed eligible upon satisfactorily demonstrating that it has met the requirements of this Section, where applicable.

(b) If the aggregate amount of applications received on a single business day exceeds the total amount of available tax credits, the secretary of the Department of Revenue shall approve tax credits on a pro rata basis. In the event the taxpayer is subject to proration, the taxpayer shall only be eligible for a credit equal to the pro rata amount for the tax period deemed eligible."

AMENDMENT NO. 2

On page 2, line 27, after "by a business." and before "The" insert "**The total amount of credits granted pursuant to this Paragraph shall not exceed the amount provided for in Subsection (C) of this Section.**"

Respectfully submitted,

Senators:

Representatives:

Senator Rick Edmonds

Representative Julie Emerson

Senator Franklin J. Foil

Representative Kim Carver

Senator Jay Luneau

Representative Josh Carlson

The legislative instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, 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)]

CONFERENCE COMMITTEE REPORT DIGEST

SB 233

2025 Regular Session

Edmonds

Keyword and summary of the bill as proposed by the Conference Committee

TAX/TAXATION: Provides for changes to the School Readiness Tax Credit. (1/1/26)

Report adopts House amendments to:

1. Change the percentage of eligible business child care expenses eligible for the credit for two star facilities from 20% to 0%.
2. Make technical changes.

Report rejects House amendments which would have:

1. Instituted a \$1 million tax credit cap on the program for calendar year 2026 and provided for an increase in the cap in \$1 million increments based upon utilization of the credit in the prior calendar year beginning in calendar year 2027 for technical purposes.
3. Removed provisions providing a maximum \$5 million tax credit cap and technical changes related thereto.

Report amends the bill to:

1. Institute a \$1 million tax credit cap on the program for calendar year 2026 and provided for an increase in the cap in \$1 million increments based upon utilization of the credit in the prior calendar year beginning in calendar year 2027.
2. Provide that in no calendar year will the tax credit cap amount exceed \$5 million.

Digest of the bill as proposed by the Conference Committee

Present law authorizes the following school readiness tax credits for child care:

- (1) Child care expense tax credit.
- (2) Child care provider tax credit.
- (3) Credit for child care directors and staff.
- (4) Credit for business-supported child care.

Proposed law changes the title from school readiness tax credits to workforce child care tax credits and otherwise retains present law.

Present law defines the term "eligible business child care expenses" as the total of the following expenses of a business that supports quality child care:

- (1) For the construction, renovation, expansion, or major repair of an eligible child care facility, or for the purchase of equipment for such facility, or for the maintenance and operation thereof, not to exceed fifty thousand dollars in expenses per tax year.
- (2) For payments made to an eligible child care facility for child care services to support employees not to exceed five thousand dollars per child per tax year.
- (3) For the purchase of child care slots at eligible child care facilities actually provided or reserved for children of employees not to exceed fifty thousand dollars per tax year.

Proposed law increases the annual cap within the definition of the term "eligible business child care expense" as follows:

- (1) For the construction, renovation, expansion, or major repair of an eligible child care facility, or for the purchase of equipment for such facility, or for the maintenance and operation thereof the cap is changed from \$50,000 per tax year to \$100,000.
- (2) For payments made to an eligible child care facility for child care services to support employees from \$5,000 to \$10,000.
- (3) For the purchase of child care slots at eligible child care facilities actually provided or reserved for children of employees from \$50,000 to \$100,000.

Present law authorizes a tax credit for the eligible business child care expenses paid by a business. The percentage of the credit depends upon the quality rating of the child care facility to whom the eligible business child care expenses are paid. The percentages are as follows:

- (1) Five star facility - 20%
- (2) Four star facility - 15%
- (3) Three star facility - 10%
- (4) Two star facility - 5%
- (5) One star facility - 0%

Proposed law retains present law but changes the percentage of the credit based upon the quality rating of the facility as follows:

- (1) Five star facility - increased from 20% to 50%
- (2) Four star facility - increased from 15% to 40%
- (3) Three star facility - increased from 10% to 30%
- (4) Two star facility - decreased from 5% to 0%
- (5) One star facility - remains 0%

Proposed law provides for the maximum amount of tax credits for the eligible business child care expenses paid by a business that may be claimed on tax returns for a calendar year, hereinafter "credit cap"; the initial credit cap for calendar year 2026 shall be \$1M.

Proposed law authorizes a \$1M increase in the credit cap for a calendar year beginning in 2027 if at least 80% of the credit cap amount authorized for the preceding taxable year was granted. Further provides that the credit cap shall not be increased for a given year if less than 80% of the credit cap amount authorized for the preceding year was granted. Provides that in no calendar year will the tax credit cap amount exceed \$5 million.

Applicable to taxable periods beginning on or after January 1, 2026.

Effective January 1, 2026.

(Amends the heading of Ch. 2 of Subtitle VII of Title 47 of the La. Revised Statutes of 1950, R.S. 47:6102(7), and R.S. 47:6107(A)(1) as amended and reenacted by §1 of Act No. 6 of the 2024 3rd ES; adds R.S. 47:6107(C))