

2016 Second Extraordinary Session

HOUSE BILL NO. 26

BY REPRESENTATIVE THIBAUT

TAX CREDITS: Reduces the amount of the income tax credit for purchases from "PIE" contractors (Item #36)

1 AN ACT

2 To amend and reenact R.S. 47:6018(C), relative to income and corporation franchise tax  
3 credits; to provide for the amount of certain credits; to provide for applicability and  
4 an effective date; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:6018(C) is hereby amended and reenacted to read as follows:

7 §6018. Tax credits for purchasers from "PIE contractors"

8 \* \* \*

9 C. The amount of the credit shall be equal to ~~seventy-two~~ seventy percent  
10 of the state sales and use tax paid by the purchaser on each case or other unit of  
11 apparel during the purchaser's tax year as reflected on the books and records of the  
12 purchaser during his tax year.

13 \* \* \*

14 Section 2. Section 1 of this Act shall apply to any return filed for any taxable year  
15 beginning on or after January 1, 2016.

16 Section 3. This Act shall become effective upon signature by the governor or, if not  
17 signed by the governor, upon expiration of the time for bills to become law without signature  
18 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
19 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
20 effective on the day following such approval.

---

**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 26 Original

2016 Second Extraordinary Session

Thibaut

**Abstract:** Reduces the amount of the income and corporation franchise tax credit for purchasers from "PIE contractors" from 72% of the state sales and use tax paid by the purchaser to 70%.

Present law provides for an income or corporation franchise tax credit for purchasing specialty apparel items from a contractor in a certified Private Sector/Prison Industry Enhancement Program that employs inmates of a La. correctional institution that manufactures the apparel.

Present law allows a tax credit equal to 72% of the sales and use tax paid for the eligible specialty apparel items.

Proposed law reduces the amount of the credit from 72% to 70%.

Proposed law is applicable to any return filed for any taxable year beginning on or after Jan. 1, 2016.

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

(Amends R.S. 47:6018(C))