

2018 Second Extraordinary Session

SENATE BILL NO. 15

BY SENATOR DONAHUE

BUDGET PROCEDURE. Limits tax credit and rebate expenditures for certain tax incentive programs. (Item #21) (7/1/18)

1 AN ACT

2 To amend and reenact R.S. 47:6007(J)(2)(a) and 6023(J) and to enact R.S. 47:3204(M),  
3 6015(M), 6016(J), 6019(D), 6020(H), 6021(K), 6022(K), 6034(L), 6301(D), 6351(I),  
4 R.S. 51:1787(L), 2357, 2399.3(C), 2463, and 3121(H), relative to tax credits and  
5 rebates; to stabilize the annual expenditures associated with tax incentive programs;  
6 and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:6007(J)(2)(a) and 6023(J) are hereby amended and reenacted and  
9 R.S. 47:3204(M), 6015(M), 6016(J), 6019(D), 6020(H), 6021(K), 6022(K), 6034(L),  
10 6301(D), 6351(I) are hereby enacted to read as follows:

11 §3204. Contracts of exemption; renegotiation; violations; lists; priority of  
12 exemptions

13 \* \* \*

14 **M. Beginning July 1, 2018, claims against state income tax, corporation**  
15 **franchise tax, sales tax, and all other taxes allowed on returns as tax**  
16 **equalization credits claimed with the Department of Revenue as provided for**  
17 **in this Section shall be limited to an aggregate total of three million two**



1                    **J. Beginning July 1, 2018, tax credits claimed by all recipients pursuant**  
2                    **to this Section shall be limited to an aggregate reduction of tax liability that does**  
3                    **not exceed seven hundred ninety thousand dollars each fiscal year.**

4                    \*           \*           \*  
5                    §6019. Tax credit; rehabilitation of historic structures

6                    \*           \*           \*  
7                    **D. Beginning July 1, 2018, tax credits claimed by all recipients pursuant**  
8                    **to this Section shall be limited to an aggregate reduction of tax liability that does**  
9                    **not exceed sixty-one million six hundred thousand dollars each fiscal year.**

10                   §6020. Angel Investor Tax Credit Program

11                   \*           \*           \*

12                   **H. Beginning July 1, 2018, tax credits claimed by all recipients pursuant**  
13                   **to this Section shall be limited to an aggregate reduction of tax liability that does**  
14                   **not exceed one million six hundred thousand dollars each fiscal year.**

15                   §6021. Brownfields Investor Tax Credit

16                   \*           \*           \*

17                   **K. Beginning July 1, 2018, tax credits claimed by all recipients pursuant**  
18                   **to this Section shall be limited to an aggregate reduction of tax liability that does**  
19                   **not exceed thirty-two thousand dollars each fiscal year.**

20                   §6022. Digital interactive media and software tax credit

21                   \*           \*           \*

22                   **K. Beginning July 1, 2018, tax credits claimed by all recipients pursuant**  
23                   **to this Section shall be limited to an aggregate reduction of tax liability that does**  
24                   **not exceed twenty-three million seven hundred thousand dollars each fiscal**  
25                   **year.**

26                   \*           \*           \*

27                   §6023. Sound recording investor tax credit

28                   \*           \*           \*

29                   ~~J. No credit shall be allowed pursuant to this Section for applications received~~

1 ~~on or after July 1, 2021~~ Beginning July 1, 2018, tax credits claimed by all  
2 recipients pursuant to this Section shall be limited to an aggregate reduction of  
3 tax liability that does not exceed one hundred and fifty-eight thousand dollars  
4 each fiscal year.

5 \* \* \*  
6 §6034. Musical and theatrical production income tax credit

7 \* \* \*

8 L. Beginning July 1, 2018, tax credits claimed by all recipients pursuant  
9 to this Section shall be limited to an aggregate reduction of tax liability that does  
10 not exceed six million two hundred thousand dollars each fiscal year.

11 \* \* \*

12 §6301. Credit; donations to school tuition organizations

13 \* \* \*

14 D. Beginning July 1, 2018, rebates paid to and tax credits claimed by all  
15 recipients pursuant to this Section shall be limited to an aggregate reduction of  
16 tax liability that does not exceed five million six hundred eighty thousand  
17 dollars each fiscal year.

18 §6351. Rebates Procurement Processing Company Rebates; contracts for certain  
19 state sales and use tax rebates

20 \* \* \*

21 I. Beginning July 1, 2018, rebates paid to all recipients pursuant to this  
22 Section shall be limited to an aggregate amount that does not exceed nine  
23 million dollars each fiscal year.

24 Section 2. R.S. 51:1787(L), 2357, 2399.3(C), 2463, and 3121(H) are hereby enacted  
25 to read as follows:

26 §1787. Enterprise Zone Incentives

27 \* \* \*

28 L. Beginning July 1, 2018, claims against state income tax, corporation  
29 franchise tax, and rebates paid to all recipients pursuant to this Section shall be

1 limited to an aggregate amount that does not exceed thirty-one million six  
2 hundred thousand dollars each fiscal year.

3 \* \* \*

4 §2357. Technology commercialization credit annual limitation

5 Beginning July 1, 2018, tax credits claimed by all recipients pursuant to  
6 this Section shall be limited to an aggregate reduction of tax liability that does  
7 not exceed eighty thousand dollars each fiscal year.

8 \* \* \*

9 §2399.3. Modernization tax credit

10 \* \* \*

11 C. Beginning July 1, 2018, tax credits claimed by all recipients pursuant  
12 to this Section shall be limited to an aggregate reduction of tax liability that does  
13 not exceed three million nine hundred thousand dollars each fiscal year.

14 \* \* \*

15 §2463. Louisiana Quality Jobs rebate annual limitation

16 Beginning July 1, 2018, rebates paid to all recipients pursuant to this  
17 Section shall be limited to an aggregate amount that does not exceed seventy-  
18 nine million dollars each fiscal year.

19 \* \* \*

20 §3121. Competitive Projects Payroll Incentive Program

21 \* \* \*

22 H. Beginning July 1, 2018, rebates paid to all recipients pursuant to this  
23 Section shall be limited to an aggregate amount that does not exceed three  
24 hundred thousand dollars each fiscal year.

25 Section 3. The provisions of this Act shall apply to all claims for rebates and credits  
26 filed with the Department of Revenue on or after July 1, 2018, regardless of the taxable year  
27 to which the claim relates.

28 Section 4. This Act shall become effective upon signature by the governor or, if not  
29 signed by the governor, upon expiration of the time for bills to become law without signature

1 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 2 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 3 effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

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## DIGEST

SB 15 Original

2018 Second Extraordinary Session

Donahue

Present law provides for tax incentive programs as follows:

1. Industrial Tax Equalization Program (47:3201-3205)
2. Motion Picture Investor Tax Credit (R.S. 47:6007)
3. Research and Development Tax Credit (R.S. 47:6015)
4. New Markets Tax Credit (R.S. 47:6016)
5. Tax Credit for Rehabilitation of Historic Structures (R.S. 47:6019)
6. Angel Investor Tax Credit Program (R.S. 47:6020)
7. Brownfields Investor Tax Credit (R.S. 47:6021)
8. Digital Interactive Media and Software Act (R.S. 47:6022)
9. Sound Recording Investor Tax Credit (R.S. 47:6023)
10. Musical and Theatrical Productions Income Tax Credit (R.S. 47:6034)
11. Credits for Donations to School Tuition Organizations (R.S. 47:6301)
12. Procurement Processing Company Rebate Program (R.S. 47:6351)
13. Louisiana Enterprise Zone Act (R.S. 51:1781-1791)
14. Technology Commercialization Credit and Jobs Program (51:2351-2356)
15. Retention and Modernization Act (R.S. 51:2399.1-2399.6)
16. Louisiana Quality Jobs Program Act (R.S. 51:2451-2462)
17. Competitive Projects Payroll Incentive Program (R.S. 51:3121)

Present law provides no limits on the expenditure for these tax incentive programs except for the Motion Picture Investor Tax Credit which has an annual aggregate claiming cap of \$180 million.

Proposed law limits the aggregate amount of each tax incentive that can be claimed per fiscal year on tax returns or rebate claim forms for all taxpayers submitting claims on or after July 1, 2018. The aggregate amount that can be claimed during any future fiscal year for these programs is as follows:

1.	Industrial Tax Equalization Program	\$3,200,000
2.	Motion Picture Investor Tax Credit	\$142,100,000
3.	Research and Development Tax Credit	\$6,300,000
4.	New Markets Tax Credit	\$790,000
5.	Tax Credit for Rehabilitation of Historic Structures	\$61,600,000
6.	Angel Investor Tax Credit Program	\$1,600,000
7.	Brownfields Investor Tax Credit	\$32,000
8.	Digital Interactive Media and Software Act	\$23,700,000
9.	Sound Recording Investor Tax Credit	\$158,000
10.	Musical and Theatrical Productions Income Tax Credit	\$6,200,000
11.	Credits for Donations to School Tuition Organizations	\$5,680,000
12.	Procurement Processing Company Rebate Program	\$9,000,000
13.	Louisiana Enterprise Zone Act	\$31,600,000
14.	Technology Commercialization Credit and Jobs Program	\$80,000
15.	Retention and Modernization Act	\$3,900,000
16.	Louisiana Quality Jobs Program Act	\$79,000,000
17.	Competitive Projects Payroll Incentive Program	\$300,000

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

(Amends R.S. 47:6007(J)(2)(a) and 6023(J); adds R.S. 47:3204(M), 6015(M), 6016(J), 6019(D), 6020(H), 6021(K), 6022(K), 6034(L), 6301(D), 6351(I), R.S. 51:1787(L), 2357, 2399.3(C), 2463, and 3121(H))