2021 Regular Session

HOUSE BILL NO. 445

BY REPRESENTATIVE BOURRIAQUE

TAX CREDITS: Changes the sound recording investor tax credit into a refundable tax credit

1	AN ACT		
2	To amend and reenact R.S. 47:6023(C)(4)(b), relative to the sound recording investor tax		
3	credit; to eliminate certain restrictions regarding the reduction of a taxpayer's tax		
4	liability; to authorize the payment of refunds under certain circumstances; to provid		
5	for certain requirements and limitations; to provide for an effective date; and te		
6	provide for related matters.		
7	Be it enacted by the Legislature of Louisiana:		
8	Section 1. R.S. 47:6023(C)(4)(b) is hereby amended and reenacted to read as		
9	follows:		
10	§6023. Sound recording investor tax credit		
11	* * *		
12	C. Investor tax credit; state-certified productions.		
13	* * *		
14	(4)		
15	* * *		
16	(b) Notwithstanding the amount of the credit earned by the investor pursuan		
17	to this Section, application of tax credits earned and claimed against an investor's		
18	income tax liability shall never reduce the investor's income tax liability below fifty		
19	percent of the amount of the liability prior to application of the credit. Any excess		
20	credit may be carried forward for up to five years and shall be applied against the		
21	subsequent income tax liability of the taxpayer. If the amount of the credit authorized		

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	pursuant to the provisions of this Section exceeds the taxpayer's tax liability for th	
2	tax year, the excess credit amount shall be refunded to the taxpayer. The secretary	
3	shall make refunds to the taxpayer in the amount to which he is entitled from the	
4	current collections of the taxes collected pursuant to Chapter 1 and Chapter 5 of	
5	Subtitle II of this Title.	
6	* * *	
7	Section 2. This Act shall become effective upon signature by the governor or, if not	
8	signed by the governor, upon expiration of the time for bills to become law without signature	
9	by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If	
10	vetoed by the governor and subsequently approved by the legislature, this Act shall become	
11	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 445 Original	2021 Regular Session
IID ++J Oliginal	2021 Regular Session

Bourriaque

Abstract: Changes the sound recording investor tax credit <u>from</u> a non-refundable tax credit <u>to</u> a refundable tax credit.

<u>Present law</u> authorizes a state income tax credit for investments made in state-certified productions until July 1, 2026. The tax credit is earned by investors at the time expenditures are certified by the Dept. of Economic Development according to the total base investment certified for the sound recording production company per calendar year. The aggregate amount of credits that can be certified each year is limited to \$2,160,000; however, 50% of the credits certified each year shall be reserved for Qualified Music Companies.

<u>Present law</u> prohibits the application of tax credits earned and claimed against an investor's tax liability from reducing the investor's income tax liability below 50% prior to application of the credit, regardless of the amount of the credit the investor earned. Further authorizes the investor to carry forward unused tax credits for up to five years to be applied against the investor's tax liability in subsequent years.

<u>Proposed law</u> changes <u>present law</u> to delete the limitation on the amount of credit that may be used in any taxable year to offset the investor's tax liability *and* converts the tax credit <u>from</u> a credit that requires the carry forward of unused credits for up to five years to a refundable tax credit wherein the amount of the tax credit which exceeds the taxpayer's liability is refunded to the taxpayer. <u>Proposed law</u> requires the secretary of the Dept. of Revenue to make refunds from the current income and corporate franchise tax collections.

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

(Amends R.S. 47:6023(C)(4)(b))