

2023 Regular Session

HOUSE BILL NO. 426

BY REPRESENTATIVE BRYANT

TAX CREDITS: Provides relative to the work opportunity tax credit for businesses that hire certain formerly incarcerated persons

1 AN ACT

2 To amend and reenact R.S. 47:287.750(A), (B)(introductory paragraph), (1), (2),  
3 (3)(introductory paragraph), (4), and (5), (D)(1), and (F), relative to corporate  
4 income and franchise tax; to provide relative to the Louisiana work opportunity tax  
5 credit; to provide additional eligibility criteria for the credit; to expand the  
6 definitions of "eligible re-entrant" and "eligible business" for purposes of the credit;  
7 to provide a certification process for verifying the status of certain persons as eligible  
8 re-entrants; to provide for the means by which the credit may be earned; and to  
9 provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 47:287.750(A), (B)(introductory paragraph), (1), (2),  
12 (3)(introductory paragraph), (4), and (5), (D)(1), and (F) are hereby amended and reenacted  
13 to read as follows:

14 §287.750. Louisiana work opportunity tax credit

15 A. ~~There is hereby authorized~~ The legislature hereby authorizes a  
16 nonrefundable credit for businesses that hire certain formerly incarcerated persons  
17 and certain current and former inmates who participate ~~participants in the in~~  
18 designated work release programs ~~provided for in R.S. 15:711, 1111, 1199.9, and~~  
19 ~~1199.10.~~

1 B. For ~~the~~ purposes of this Section, the following terms shall have the  
 2 ~~following meanings~~ meanings ascribed to them in this Subsection:

3 (1) "Department" ~~shall mean~~ means the Department of Revenue.

4 (2) "Eligible business" ~~shall mean a~~ means all of the following:

5 (a) Any business that is subject to Louisiana income tax and participates in  
 6 any of the work release programs provided for in R.S. 15:711, 1111, 1199.9, or  
 7 1199.10.

8 (b) Any business that is subject to Louisiana income tax and hires an eligible  
 9 re-entrant.

10 (3) "Eligible job" ~~shall mean~~ means any of the following:

11 \* \* \*

12 (4) "Eligible re-entrant" ~~shall mean an~~ means all of the following:

13 (a) Any inmate or former inmate who is eligible to participate and is actively  
 14 participating in a work release program provided for in R.S. 15:711, 1111, 1199.9,  
 15 or 1199.10. ~~An~~ To qualify as an eligible re-entrant pursuant to this Subparagraph,  
 16 a person shall meet all of the criteria provided for in R.S. 15:1199.7.

17 (b) Any formerly incarcerated person who is hired not more than twenty-four  
 18 months after his release from imprisonment.

19 (5) "Secretary" ~~shall mean~~ means the secretary of the Department of  
 20 Revenue.

21 \* \* \*

22 D.(1) The credit shall be earned upon the occurrence of either of the  
 23 following:

24 (a) Certification ~~certification~~ by the Department of Public Safety and  
 25 Corrections or the applicable sheriff to the department that the eligible business  
 26 employed an eligible re-entrant in an eligible job for twelve consecutive months  
 27 following the release of the eligible re-entrant from imprisonment.

28 (b) Acceptance by the department of certification from an eligible business  
 29 attesting that the business employed an eligible re-entrant in an eligible job for

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 twelve consecutive months following the release of the eligible re-entrant from  
2 imprisonment. Such certification shall include documentation from the Department  
3 of Public Safety and Corrections or the applicable sheriff verifying the date of  
4 release of the eligible re-entrant from imprisonment. Such certification may be on  
5 a form prescribed by the department and promulgated by the secretary in rule.

6 \* \* \*

7 F. Credits previously granted to an eligible business but later disallowed may  
8 be recovered by the secretary ~~pursuant to the provisions provided for in accordance~~  
9 with the provisions of R.S. 47:1561.3.

10 \* \* \*

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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)]

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HB 426 Original

2023 Regular Session

Bryant

**Abstract:** Expands eligibility for the work opportunity tax credit to businesses that hire any formerly incarcerated person within a certain period after the person's release from imprisonment.

Present law authorizes a nonrefundable corporate income tax credit for eligible businesses that hire eligible re-entrants for eligible jobs. Provides that the amount of the credit shall equal 5% of the total wages paid to an eligible re-entrant in an eligible job for 12 consecutive months following the re-entrant's release from imprisonment, with a maximum credit amount of \$2,500 per eligible re-entrant. Proposed law retains present law.

Present law establishes the following definitions for purposes of present law:

- (1) "Eligible business" means a business that is subject to La. income tax and participates in any of the work release programs provided for in present law (R.S. 15:711, 1111, 1199.9, or 1199.10).
- (2) "Eligible re-entrant" means an inmate or former inmate who is eligible to participate and is actively participating in a work release program provided for in present law.
- (3) "Eligible job" means the following:
  - (a) A new job.
  - (b) An existing job that has been vacant for at least one year.
  - (c) An existing job that is vacant because the person who previously filled the job left voluntarily or was terminated for cause.

Proposed law expands the definition of "eligible re-entrant" to include any formerly incarcerated person who is hired not more than 24 months after his release from imprisonment. Provides a certification process for verifying the status of such persons as eligible re-entrants.

Proposed law expands the definition of "eligible business" to include any business that hires an eligible re-entrant.

Proposed law otherwise retains present law.

(Amends R.S. 47:287.750(A), (B)(intro. para.), (1), (2), (3)(intro. para.), (4), and (5), (D)(1), and (F))