
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 452 Original

2023 Regular Session

Bourriaque

Abstract: Establishes a state tax credit for the development of certain housing projects that qualify for federal affordable housing tax credits.

Proposed law authorizes a nonrefundable credit against income and corporation franchise taxes administered by the Dept. of Revenue, and against insurance premium taxes administered by the Dept. of Insurance, for affordable housing projects which meet the definition of "qualified project" provided in proposed law.

Proposed law defines "qualified project" as a housing project that qualifies for the federal low-income housing tax credit provided for in federal law (Internal Revenue Code (26 U.S.C. 42)).

Proposed law provides that the tax credit authorized therein shall be claimed beginning with the taxable year in which a qualified project is placed in service. Provides that the amount of the credit shall be equal to the aggregate federal credit initially determined pursuant to federal law (26 U.S.C. 42(b)(1)(B)(ii)) and shall be taken in equal installments each year over a period of six years.

Proposed law provides that in order to qualify for the credit authorized therein, the owner of a qualified project shall submit an application to the La. Housing Corp. Requires the executive director of the La. Housing Corp. to award credits through the process outlined in the corporation's Qualified Allocation Plan.

Proposed law stipulates that before awarding to the owner of a qualified project any credits provided for in proposed law, the executive director of the La. Housing Corp. shall enter into a written agreement with the project owner which encompasses terms and conditions applicable to the credits prescribed by proposed law. Requires the executive director of the La. Housing Corp. to submit notifications to the secretary of the Dept. of Revenue and the commissioner of insurance, within 30 days of the execution of the agreement, certifying the amount of tax credit awarded to a project owner contingent upon the qualified project being placed in service.

Proposed law authorizes the La. Housing Corp. to charge a fee in connection with applications for the tax credits. Authorizes the corporation to establish the amount of the fee by rule and requires that proceeds from the fee be distributed equitably among the corporation, the Dept. of Revenue, and the Dept. of Insurance.

Proposed law limits the total amount of credits to be awarded by the La. Housing Corp. in accordance with proposed law to no more than \$100,000,000 in any calendar year.

Proposed law provides that if the amount of the credit granted to a taxpayer for a taxable year exceeds the amount of the taxpayer's tax liability for that year, the excess credit amount may be carried forward for a period not to exceed five years.

Proposed law provides for allocation of the credit among partners, shareholders, members, or other constituent taxpayers of partnerships, limited liability companies, S corporations, and similar pass-through entities.

Proposed law authorizes the sale and transfer of credits granted in accordance with proposed law.

Proposed law prohibits awarding of any tax credits authorized by proposed law after December 31, 2029.

Proposed law becomes effective July 1, 2023, and applies to tax years beginning on or after Jan. 1, 2024.

(Adds R.S. 47:6043)