

2023 Regular Session

HOUSE BILL NO. 495

BY REPRESENTATIVE DEVILLIER

TAX/INCOME TAX: Reduces the amount of certain income tax exclusions, exemptions, deductions, and credits

1 AN ACT

2 To amend and reenact R.S. 47:51, 158(C) and (D), 227, 246(A), 287.71(B)(2), (3), and (4),

3 287.73(C)(1) and (4), 287.86(A), 287.664, 287.738(F) and (G), 287.745(B),

4 287.750(C), 287.753(C), 287.758(B), 287.759(A) and (C)(3), 297.13(B), 6005(C)(1)

5 and (D), 6006(D)(5), 6006.1(E)(3), 6007(J)(1)(b), (2)(a), and (3)(a), 6008(A),

6 6013(A), 6014(A), 6015(C)(2) and (D)(1), 6016.1(B)(1)(b) and (E)(5)(b), 6017(A),

7 6018(C), 6019(A)(1)(a), (c), and (e), 6020(D)(1) and (2)(a), 6022(D)(4),

8 6023(C)(1)(c), (d), and (e) and (3)(introductory paragraph), 6028(C)(1) and (4),

9 6032(C) and (F), 6033(C)(1) and (2), 6034(C)(1)(a)(iii)(cc), (c)(ii), and (d)(iii) and

10 (4)(a) and (b), 6036(C)(1)(b) and (I)(2)(a)(i), 6036.1(B)(4), 6042(A)(1)(a) and (b),

11 6105(A), 6107(A), and 6301(A)(1) and R.S. 51:1787(A)(1)(b) and (2)(a) and (b) and

12 (G), 1924(B)(1), (2), and (3)(a) and (b) and (D)(1), 2354(C), 2399.3(A)(2)(c), and

13 3085(B)(1)(a) and to repeal R.S. 47:12, 34, 37, 287.748, 287.749, 287.752, 287.755,

14 6012, 6016, 6021, 6025, 6026, 6030, 6035, 6037, and 6041, relative to income tax

15 incentives; to provide with respect to income tax credits, deductions, exemptions,

16 and exclusions; to reduce the amount of certain income tax credits, deductions,

17 exemptions, and exclusions; to provide for applicability; to provide for an effective

18 date; and to provide for related matters.

19 Be it enacted by the Legislature of Louisiana:

1 Section 1. R.S. 47:51, 158(C) and (D), 227, 246(A), 287.71(B)(2), (3), and (4),
 2 287.73(C)(1) and (4), 287.86(A), 287.664, 287.738(F) and (G), 287.745(B), 287.750(C),
 3 287.753(C), 287.758(B), 287.759(A) and (C)(3), 297.13(B), 6005(C)(1) and (D),
 4 6006(D)(5), 6006.1(E)(3), 6007(J)(1)(b), (2)(a), and (3)(a), 6008(A), 6013(A), 6014(A),
 5 6015(C)(2) and (D)(1), 6016.1(B)(1)(b) and (E)(5)(b), 6017(A), 6018(C), 6019(A)(1)(a), (c),
 6 and (e), 6020(D)(1) and (2)(a), 6022(D)(4), 6023(C)(1)(c), (d), and (e) and (3)(introductory
 7 paragraph), 6028(C)(1) and (4), 6032(C) and (F), 6033(C)(1) and (2), 6034(C)(1)(a)(iii)(cc),
 8 (c)(ii), and (d)(iii) and (4)(a) and (b), 6036(C)(1)(b) and (I)(2)(a)(i), 6036.1(B)(4),
 9 6042(A)(1)(a) and (b), 6105(A), 6107(A), and 6301(A)(1) are hereby amended and
 10 reenacted to read as follows:

11 §51. Exclusions from gross income; governmental subsidies

12 ~~Funds~~ Fifty percent of funds accrued by a corporation engaged in operating
 13 a public transportation system from any federal, state or municipal governmental
 14 entity to subsidize the operation and maintenance of such a transportation system
 15 shall not be included in gross income and shall be exempt from taxation under this
 16 Chapter. All expenses of operating the transit system incurred by the corporation
 17 shall be deductible in arriving at net income.

18 * * *

19 §158. Basis for depletion

20 * * *

21 C. Percentage depletion for oil and gas wells. In the case of oil and gas wells
 22 the allowance for depletion under R.S. 47:66 shall be ~~twenty-two~~ eleven percent of
 23 the gross income from the property during the taxable year, excluding from such
 24 gross income an amount equal to fifty percent of any rents or royalties paid or
 25 incurred by the taxpayer in respect of the property. Such allowance shall not exceed
 26 ~~fifty~~ twenty-five percent of the net income of the taxpayer, computed without
 27 allowance for depletion, from the property except that in no case shall the depletion
 28 allowance under R.S. 47:66 be less than it would be if computed without reference
 29 to this Subsection.

1 D. Percentage depletion for coal and metal mines and sulphur. The
2 allowance for depletion under R.S. 47:66 shall be, in the case of coal mines, ~~five~~ two
3 and one-half percent, in the case of metal mines, ~~fifteen~~ seven and one-half percent,
4 and in the case of sulphur mines or deposits, ~~twenty-three~~ eleven and one-half
5 percent, of the gross income from the property during the taxable year, excluding
6 from such gross income an amount equal to fifty percent of any rents or royalties
7 paid or incurred by the taxpayer in respect of the property. Such allowance shall not
8 exceed ~~fifty~~ twenty-five percent of the net income of the taxpayer, computed without
9 allowance for depletion, from the property. A taxpayer making his first return under
10 this Chapter or under Act 21 of 1934 in respect of a property, shall state whether he
11 elects to have the depletion allowance for such property for the taxable year for
12 which the return is made computed with or without regard to percentage depletion,
13 and the depletion allowance in respect of such property for such year and all
14 succeeding taxable years shall be computed according to the election thus made. If
15 the taxpayer fails to make such statement in the return, the depletion allowance for
16 such property for all taxable years shall be computed without reference to percentage
17 depletion. This Subsection shall not be construed as granting a new election to any
18 taxpayer relative to any property with respect to which he has filed a return under
19 Act 21 of 1934.

* * *

20
21 §227. Offset against tax

22 Every insurance company shall be entitled to an offset against any tax
23 incurred under this Chapter, in the amount of fifty-percent of any taxes, based on
24 premiums, paid by it during the preceding twelve months, by virtue of any law of
25 this state.

* * *

26
27 §246. Corporations; deduction from net income from Louisiana sources

28 A. Subject to the limitations provided herein, there shall be deducted from
29 any net income from Louisiana sources determined under the provisions of R.S.

1 the amount or amounts refunded in gross income in the year or years received
2 irrespective of whether or not the period of limitation provided in R.S. 47:1623 has
3 expired for the year in which the amount refunded was included in gross income. If
4 this credit exceeds the income tax that would be due the state of Louisiana in the year
5 of the refund, computed without the credit, then the excess of this credit may be
6 carried over the following two taxable years.

7 * * *

8 §287.738. Other inclusions and exclusions from gross income

9 * * *

10 F. Deduction for interest and dividends.

11 (1) ~~Effective for taxable years beginning after December 31, 2005, there~~
12 There shall be allowed for each taxable year a deduction equal to fifty percent of the
13 amount of dividends that would otherwise be included in gross income.

14 (2) ~~Effective for taxable years beginning after December 31, 2005, there~~
15 There shall be allowed for each taxable year a deduction equal to fifty percent of the
16 amount of interest that would otherwise be included in gross income; however, a
17 corporation may elect to pay tax on interest income from a corporation which is
18 controlled by the former through ownership of fifty percent or more of the voting
19 stock of the latter and to use the provisions of R.S. 47:287.93(A)(2).

20 G. Deduction for hurricane recovery benefits. ~~Any~~ Fifty percent of any
21 gratuitous grant, loan, or other benefit directly or indirectly provided to a taxpayer
22 by a hurricane recovery entity as defined in R.S. 47:293 shall be allowed as a
23 deduction if such benefit was included in federal adjusted gross income.

24 * * *

25 §287.745. Deductions from gross income; depletion

26 * * *

27 B. In the case of oil and gas wells, the percentage depletion provided for in
28 Subsection A shall be ~~twenty-two~~ eleven percent of gross income from the property
29 during the taxable year, excluding from such gross income an amount equal to fifty

1 or performed exclusively in this state shall be entitled to a credit against any income
2 and corporation franchise taxes imposed by the state in an amount equal to ~~fourteen~~
3 seven percent of the cost of the new recycling manufacturing or process equipment
4 or qualified service contract, or both, less the amount of any other tax credits
5 received for the purchase of such equipment or contract, or both.

6 * * *

7 D.~~(+)~~ The amount of the credit claimed in the taxable period for which
8 certification of equipment is received, and the amount of credit claimed therefor in
9 each taxable period thereafter, shall not exceed twenty percent of the amount of the
10 total credit allowable. In no case shall the credit claimed exceed fifty percent of the
11 tax liability which would be otherwise due for that taxable period. Any unused
12 credit for a taxable year in which a credit is allowed may be carried forward to
13 subsequent years until the credit is exhausted. Total credits certified by the secretary
14 of the Department of Environmental Quality in any calendar year shall not exceed
15 ~~three million six~~ one million eight hundred thousand dollars.

16 * * *

17 §6006. Tax credits for local inventory taxes paid

18 * * *

19 D. The credit provided in this Section shall be allowed as follows:

20 * * *

21 (5) For inventory taxes paid to political subdivisions on or after July 1, 1996,
22 the credit shall be ~~one hundred~~ fifty percent of ~~such~~ taxes paid.

23 * * *

24 §6006.1. Tax credits for taxes paid with respect to vessels in Outer Continental
25 Shelf Lands Act Waters

26 * * *

27 E. The credit provided in this Section shall be allowed as follows:

28 * * *

1 (2) Department of Revenue taxpayer claim cap.

2 (a)(i) Beginning July 1, 2017, through June 30, 2024, claims against state
3 income tax allowed on returns for tax credits or transfers of such tax credits,
4 including legacy credits, to the Department of Revenue as provided for in Paragraph
5 (C)(4) of this Section shall be limited to an aggregate total of one hundred eighty
6 million dollars each fiscal year. If less than one hundred eighty million dollars of
7 such tax credits and transfers are allowed in a fiscal year, the remaining amount, plus
8 any amounts remaining from previous fiscal years, shall be added to the one hundred
9 eighty million dollar limit of subsequent fiscal years until that amount of tax credits
10 or tax credit transfers to the Department of Revenue are claimed and allowed.

11 (ii) Beginning July 1, 2024, claims against state income tax allowed on
12 returns for tax credits or transfers of tax credits, including legacy credits, to the
13 Department of Revenue as provided for in Paragraph (C)(4) of this Section shall be
14 limited to an aggregate total of ninety million dollars each fiscal year. If less than
15 ninety million dollars of tax credits and transfers are allowed in a fiscal year, the
16 remaining amount, plus any amounts remaining from previous fiscal years, shall be
17 added to the ninety million dollar limit of subsequent fiscal years until that amount
18 of tax credits or tax credit transfers to the Department of Revenue are claimed and
19 allowed.

20 * * *

21 (3) Department of Economic Development individual project issuance cap.

22 (a) Project-based production tax credit. (i) For applications for
23 state-certified productions submitted on or after July 1, 2017, through June 30, 2024,
24 the maximum amount of credits that may be granted for a single state-certified
25 production shall not exceed twenty million dollars, except for state-certified
26 productions for scripted episodic content that may be granted up to twenty-five
27 million dollars per season.

28 (ii) For applications for state-certified productions submitted on or after July
29 1, 2024, the maximum amount of credits that may be granted for a single

1 state-certified production shall not exceed ten million dollars, except for state-
2 certified productions for scripted episodic content that may be granted up to twelve
3 million five hundred thousand dollars per season.

4 * * *

5 §6008. Tax credits for donations made to assist playgrounds in economically
6 depressed areas

7 A. There shall be allowed a credit against any Louisiana income or
8 corporation franchise tax for qualified donations made to qualified playgrounds. The
9 credit shall be an amount equal to the lesser of ~~seven hundred twenty~~ three hundred
10 sixty dollars or ~~thirty-six~~ eighteen one hundredths of the value of the cash,
11 equipment, goods, or services donated. Any ~~such~~ credit shall be taken as a credit
12 against the applicable tax or taxes only in the taxable period in which the donation
13 is made. The total amount of the credits taken by any taxpayer during any taxable
14 year shall not exceed one thousand dollars.

15 * * *

16 §6013. Tax credits for donations made to public schools

17 A. There shall be allowed a credit against the corporate income tax and the
18 corporation franchise tax for qualified donations made to a public school. The credit
19 shall be an amount equal to ~~twenty-eight~~ fourteen percent of the appraised value of
20 the qualified donation. Any ~~such~~ credit shall be taken as a credit against the
21 corporate income or corporation franchise tax for the taxable year in which the
22 donation is made. The total of all ~~such~~ credits taken in a taxable year shall not exceed
23 the total tax liability for that taxable year.

24 * * *

25 §6014. Credit for property taxes paid by certain telephone companies; fund

26 A. Pursuant to the provisions of this Section, there shall be allowed a credit
27 against Louisiana corporation or individual income taxes and Louisiana corporation
28 franchise tax for, and in an amount equal to, ~~forty~~ twenty percent of the aggregate
29 ad valorem taxes paid to political subdivisions of this state after December 31, 2000,

1 by a telephone company, as defined in R.S. 47:1851(Q), with respect to ~~such~~ the
2 telephone company's public service properties, as defined in R.S. 47:1851(M), which
3 are assessed by the Louisiana Tax Commission at twenty-five percent of fair market
4 value pursuant to R.S. 47:1854.

5 * * *

6 §6015. Research and development tax credit

7 * * *

8 C.

9 * * *

10 (2) The amount of the credit authorized in this Section shall be equal to
11 either:

12 (a) ~~Five~~ Two and one-half percent of the difference, if any, of the Louisiana
13 qualified research expenses for the taxable year minus the base amount, if the
14 taxpayer is an entity that employs one hundred or more persons.

15 (b) ~~Ten~~ Five percent of the difference, if any, of the Louisiana qualified
16 research expenses for the taxable year minus the base amount, if the taxpayer is an
17 entity that employs fifty to ninety-nine persons.

18 (c) ~~Thirty~~ fifteen percent of the difference, if any, of the Louisiana qualified
19 research expenses for the taxable year minus the base amount, if the taxpayer is an
20 entity that employs less than fifty persons.

21 * * *

22 D.(1) A taxpayer who receives a Phase I or II grant from the federal Small
23 Business Technology Transfer Program or a federal Small Business Innovation
24 Research Grant as created by the Small Business Innovation Development Act of
25 1982 (P.L. 97-219), reauthorized by the Small Business Research and Development
26 Enhancement Act (P.L. 102-564), and reauthorized again by the Small Business
27 Reauthorization Act of 2000 (P.L. 106-554) shall be allowed a tax credit in an
28 amount equal to ~~thirty~~ fifteen percent of the award received during the tax year.

29 * * *

1 §6016.1. Louisiana New Markets Jobs Act; premium tax credit

2 * * *

3 B. As used in this Section, the following words, terms, and phrases have the
4 meaning ascribed to them unless a different meaning is clearly indicated by the
5 context:

6 (1)

7 * * *

8 (b) "Applicable percentage" means ~~fifteen~~ seven and one-half percent for the
9 fourth through sixth credit allowance dates and ten percent for the seventh credit
10 allowance for all qualified equity investments issued on or after August 1, 2020.

11 * * *

12 E.

13 * * *

14 (5)

15 * * *

16 (b) A total of ~~seventy-five~~ thirty-seven million five hundred thousand dollars
17 of qualified equity investment authority shall be available for certification and
18 allocation for applications beginning August 1, 2020. The department shall accept
19 applications beginning on August 1, 2020, for allocation and certification of up to
20 ~~seventy-five~~ thirty seven million five hundred thousand dollars of qualified equity
21 investments.

22 * * *

23 §6017. Tax credits for certain expenses paid by economic development corporations

24 A. There shall be allowed a credit against any Louisiana income or
25 corporation franchise taxes for the filing fee paid to the Louisiana State Bond
26 Commission that is incurred by an economic development corporation in the
27 preparation and issuance of bonds, as provided for in Chapter 27 of Title 33 of the
28 Louisiana Revised Statutes of 1950. The credit shall be an amount equal to ~~seventy-~~
29 ~~two~~ thirty-six percent of the amount of the filing fee paid to the Louisiana State Bond

1 Commission that is incurred by the corporation in the preparation and issuance of the
2 bonds.

3 * * *

4 §6018. Tax credits for purchasers from "PIE contractors"

5 * * *

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

10 * * *

11 §6019. Tax credit; rehabilitation of historic structures

12 A.(1)(a) There shall be a credit against income and corporation franchise tax
13 for the amount of eligible costs and expenses incurred during the rehabilitation of a
14 historic structure located in a downtown development or a cultural district. The
15 amount of the credit shall ~~equal~~ be as follows:

16 (i) ~~Twenty-five~~ twenty-five percent of the eligible costs and expenses of the
17 rehabilitation incurred prior to January 1, 2018, regardless of the year in which the
18 property is placed in service.

19 (ii) Twenty ~~The amount of the credit shall equal~~ twenty percent of the
20 eligible costs and expenses of the rehabilitation incurred on or after January 1, 2018,
21 and before ~~January 1, 2026~~ January 1, 2024, regardless of the year in which the
22 property is placed in service.

23 (iii) Ten percent of the eligible costs and expenses of the rehabilitation
24 incurred on or after January 1, 2024, and before January 1, 2026, regardless of the
25 year in which the property is placed in service.

26 (iv) No credit is authorized pursuant to this Section for expenses incurred on
27 or after January 1, 2026.

28 * * *

1 (c) No taxpayer, or any entity affiliated with ~~such a~~ taxpayer, shall claim
2 more than ~~five~~ two million five hundred thousand dollars of credit annually for any
3 number of structures rehabilitated with a particular downtown development or
4 cultural district.

5 * * *

6 (e) For State of Louisiana Commercial Rehabilitation Tax Credit Part 2
7 applications received by the Department of Culture, Recreation and Tourism on or
8 after January 1, 2021, the maximum aggregate total of tax credits that may be
9 reserved by all taxpayers pursuant to the provisions of this Section shall not exceed
10 ~~one hundred twenty-five~~ sixty-two million five hundred thousand dollars annually.
11 If the amount of tax credit reservations issued in a calendar year is less than ~~one~~
12 ~~hundred twenty-five~~ sixty-two million five hundred thousand dollars, the excess
13 reservation amount shall be available for issuance in any subsequent calendar year.
14 The Department of Culture, Recreation and Tourism shall establish by rule the
15 method of reserving available tax credits including, but not limited to a first-come,
16 first-served system or any other method that the Department of Culture, Recreation
17 and Tourism determines to be beneficial to the program. Rules promulgated pursuant
18 to the provisions of this Subparagraph shall be subject to oversight by the House
19 Committee on Ways and Means and the Senate Committee on Revenue and Fiscal
20 Affairs. The Department of Revenue and the Department of Culture, Recreation and
21 Tourism shall make reasonable efforts to post a listing of estimated credit amounts
22 remaining under the annual cap on their websites.

23 * * *

24 §6020. Angel Investor Tax Credit Program

25 * * *

26 D. Tax credits. (1) The total amount of tax credits granted by the
27 department in any calendar year shall not exceed ~~three million six~~ one million eight
28 hundred thousand dollars. The department shall by rule establish the method of
29 allocating available tax credits to investors including but not limited to a first-come,

1 first-served system, reservation of tax credits for a specific time period, or other
 2 method which the department, in its discretion, may find beneficial to the program.
 3 If the department does not grant the entire ~~three million six~~ one million eight
 4 hundred thousand dollars in tax credits in any calendar year, the amount of residual
 5 unused tax credits shall carry forward to subsequent calendar years and may be
 6 granted in any year without regard to the ~~three million six hundred thousand dollar~~
 7 per year limitation. After the approval of an investor pool, the department shall issue
 8 a letter identifying the amount of tax credits that are available to that pool; however,
 9 no tax credit shall be granted to an investor until the investment has been made in the
 10 Louisiana Entrepreneurial Business.

11 (2)(a) An investor may apply for and, if qualified, be granted a credit on any
 12 income or corporation franchise tax liability owed to the state by the taxpayer
 13 seeking to claim the credit in the amount approved by the secretary of the
 14 department. The amount of the tax credit shall be based upon the amount of money
 15 invested by the investor in the Louisiana Entrepreneurial Business, which investment
 16 shall not exceed seven hundred twenty thousand dollars per year per business and
 17 one million four hundred forty thousand dollars total per business. Except as
 18 otherwise provided in Subparagraph (b) of this Paragraph, the credit shall be allowed
 19 against the income tax for the taxable period in which the credit is earned and the
 20 franchise tax for the taxable period following the period in which the credit is earned.
 21 The credits approved by the department shall be granted at the rate of ~~twenty-five~~
 22 twelve and one-half percent of the amount of the investment with the credit divided
 23 in equal portions for two years.

24 * * *

25 §6022. Digital interactive media and software tax credit

26 * * *

27 D. Tax credit; specific projects.

28 * * *

1 (4) For applications for state-certified productions submitted to the office on
2 or after July 1, 2017, and subsequently approved by the office and secretary, there
3 are hereby authorized tax credits that shall be earned by a company at the time funds
4 are expended in Louisiana on a state-certified production as follows:

5 (a) Credits shall be earned at the rate of ~~eighteen~~ nine percent of the base
6 investment.

7 (b) To the extent that base investment is expended on payroll for Louisiana
8 residents employed in connection with a state-certified production, additional tax
9 credits shall be earned at the rate of ~~seven~~ three and one-half percent of the payroll.

10 * * *

11 §6023. Sound recording investor tax credit

12 * * *

13 C. Investor tax credit; state-certified productions.

14 (1) There is hereby authorized a credit against the state income tax for
15 investments made in state-certified productions. The tax credit shall be earned by
16 investors at the time expenditures are certified by the Louisiana Department of
17 Economic Development according to the total base investment certified for the sound
18 recording production company per calendar year; however, no credit shall be allowed
19 under this Section for any expenditures for which a credit was granted under R.S.
20 47:6007, 6022, or 6034.

21 * * *

22 (c)(i) Project-based production credit. For applications for state-certified
23 productions received on or after July 1, 2017, but before July 1, 2024, each investor
24 shall be allowed a tax credit of eighteen percent of the base investment made by that
25 investor in excess of twenty-five thousand dollars. However, if the investor who is
26 applying for the tax credit is a Louisiana resident, the eighteen percent tax credit
27 shall be allowed on base investments which exceed ten thousand dollars.

28 (ii) For applications for state-certified productions received on or after July
29 1, 2024, each investor shall be allowed a tax credit of nine percent of the base

1 investment made by that investor in excess of twenty-five thousand dollars.
2 However, if the investor who is applying for the tax credit is a Louisiana resident,
3 the nine percent tax credit shall be allowed on base investments which exceed ten
4 thousand dollars.

5 (d)(i) Company-based QMC payroll credit. For applications for Qualified
6 Music Companies received on or after July 1, 2017, but before July 1, 2024, or for
7 applications for Qualified Music Companies that have been submitted but that have
8 not received final certification by July 1, 2019, to the extent that base investment is
9 expended on payroll for Louisiana residents in connection with a QMC, tax credits
10 shall be earned at the following rates:

11 ~~(i)~~(aa) Tier 1. A payroll credit of ten percent shall be earned for each new job
12 whose QMC payroll is equal to or greater than thirty-five thousand dollars per year,
13 up to sixty-six thousand dollars per year.

14 ~~(ii)~~(bb) Tier 2. A payroll credit of fifteen percent shall be earned for each
15 new job whose QMC payroll is equal to or greater than sixty-six thousand dollars per
16 year, but no greater than two hundred thousand dollars per year.

17 (ii) For applications for Qualified Music Companies received on or after July
18 1, 2024, to the extent that base investment is expended on payroll for Louisiana
19 residents in connection with a QMC, tax credits shall be earned at the following
20 rates:

21 (aa) Tier 1. A payroll credit of five percent shall be earned for each new job
22 whose QMC payroll is equal to or greater than thirty-five thousand dollars per year,
23 up to sixty-six thousand dollars per year.

24 (bb) Tier 2. A payroll credit of seven and one-half percent shall be earned
25 for each new job whose QMC payroll is equal to or greater than sixty-six thousand
26 dollars per year, but no greater than two hundred thousand dollars per year.

27 (e) Resident copyright credit. To the extent that the base investment by a
28 QMC is expended on a sound recording production of a resident copyright, the

1 investor shall be allowed an additional ~~ten~~ five percent increase in the base
2 investment rate.

3 * * *

4 (3) Except as otherwise provided in this Paragraph, the aggregate amount of
5 credits certified for all investors pursuant to this Section during any calendar year
6 shall not exceed ~~two million one hundred sixty~~ one million eighty thousand dollars.
7 However, fifty percent of the aggregate amount of credits certified each year shall
8 be reserved for QMCs. No more than ~~one hundred~~ fifty thousand dollars in tax
9 credits may be granted per project, per calendar year.

10 * * *

11 §6028. Louisiana Youth Jobs Tax Credit Program

12 * * *

13 C. Administration of the credit. There shall be allowed a nonrefundable tax
14 credit against income and corporation franchise taxes for a business that hires one
15 or more eligible youth on or after July 1, 2021. Notwithstanding any provision of
16 this Section to the contrary, no credit shall be granted unless the eligible youth works
17 at least three consecutive months in a full-time or part-time position at the business.

18 (1) The credit shall be equal to the following for each eligible youth hired:

19 (a) ~~One thousand two hundred fifty~~ Six hundred twenty-five dollars for
20 hiring an eligible youth in a full-time position.

21 (b) ~~Seven hundred fifty~~ Three hundred seventy-five dollars for hiring an
22 eligible youth in a part-time position.

23 * * *

24 (4) The total amount of tax credits granted by the department in any calendar
25 year shall not exceed ~~five~~ two million five hundred thousand dollars. The department
26 shall by rule establish the method of allocating available tax credits to investors
27 including but not limited to a first-come, first-served system; reservation of tax

1 credits for a specific time; or other method that the department, in its discretion, may
2 find beneficial to the program.

3 * * *

4 §6032. Tax credit for certain milk producers

5 * * *

6 C. Each qualifying taxpayer is eligible for tax credits based on the
7 production and sale of milk below the announced production price over a calendar
8 year in accordance with the following schedule:

Amount of Milk Produced:	Amount of Tax Credit:	
Up to 1,000,000 pounds	\$ 3,600	<u>\$ 1,800</u>
1,000,001 to 1,500,000 pounds	\$ 7,200	<u>\$ 3,600</u>
1,500,001 to 2,000,000 pounds	\$10,800	<u>\$ 5,400</u>
2,000,001 to 2,500,000 pounds	\$14,400	<u>\$ 7,200</u>
2,500,001 to 3,000,000 pounds	\$18,000	<u>\$ 9,000</u>
3,000,001 pounds and above	\$21,600	<u>\$ 10,800</u>

16 * * *

17 F. The credit allowed for each producer pursuant to this Section shall not
18 exceed twenty-one thousand six hundred dollars per calendar year. The total
19 aggregate amount of tax credits for all producers provided for under this Section
20 shall be capped at ~~one million eight~~ nine hundred thousand dollars per calendar year.

21 * * *

22 §6033. Apprenticeship tax credits

23 * * *

24 C. Administration of the credit. For taxable periods beginning after
25 December 31, 2021, there shall be allowed a nonrefundable tax credit against
26 Louisiana income tax or corporation franchise tax for the employment of eligible
27 apprentices as provided for in this Section.

28 (1) For each eligible apprentice employed for a minimum of two hundred
29 fifty hours during the taxable period, an employer shall be eligible for a credit equal

1 to ~~one dollar and twenty-five~~ sixty-three cents per hour of employment for a
2 maximum credit of ~~one thousand two hundred fifty~~ six hundred twenty-five dollars
3 per eligible apprentice.

4 (2) The total amount of tax credits granted by the department in any calendar
5 year shall not exceed ~~two one million five hundred~~ two hundred fifty thousand
6 dollars. The department shall establish the method of allocating available tax credits
7 to employers including but not limited to a first-come, first-served system,
8 reservation of tax credits for a specific time, or other method that the department, in
9 its discretion, may find beneficial to the program by rule. If the department does not
10 grant the entire ~~two one million five hundred~~ two hundred fifty thousand dollars in
11 tax credits in any calendar year, the amount of residual unused tax credits shall carry
12 forward to subsequent calendar years and may be granted in any year without regard
13 to the ~~two million five hundred thousand dollar~~ per year limitation.

14 * * *

15 §6034. Musical and theatrical production income tax credit

16 * * *

17 C. Income tax credits for state-certified productions and state-certified
18 musical or theatrical facility infrastructure projects:

19 (1) There is hereby authorized the following types of credits against the state
20 income tax:

21 (a)

22 * * *

23 (iii)

24 * * *

25 (cc) For state-certified projects that receive initial certification on or after
26 July 1, 2017, and except as limited for state-certified infrastructure projects as
27 provided for in this Subparagraph, the base investment credit shall be for the
28 following amounts:

1 (I) If the total base investment is greater than one hundred thousand dollars
2 and less than or equal to three hundred thousand dollars, a company shall be allowed
3 a tax credit of ~~seven~~ three and one-half percent of the base investment made by that
4 company.

5 (II) If the total base investment is greater than three hundred thousand dollars
6 and less than or equal to one million dollars, a company shall be allowed a tax credit
7 of ~~fourteen~~ seven percent of the base investment made by that company.

8 (III) If the total base investment is greater than one million dollars, a
9 company shall be allowed a tax credit of ~~eighteen~~ nine percent of the base investment
10 made by that company.

11 * * *

12 (c)

13 * * *

14 (ii) For state-certified musical or theatrical productions that receive an initial
15 certification on or after July 1, 2015, an additional tax credit of ~~seventy-two~~
16 ~~thousandths~~ one-half of one percent of the amount expended to employ students
17 enrolled in Louisiana colleges, universities, and vocational-technical schools in a
18 state-certified musical or theatrical production in arts-related positions, such as an
19 actor, writer, producer, stagehand, or director, or as a technician working on aspects
20 of the production such as lighting, sound, and actual stage work, or working
21 indirectly on the production in accounting, law, management, and marketing.

22 (d)

23 * * *

24 (iii) To the extent that base investment is expended on payroll for Louisiana
25 residents employed in connection with a state-certified musical or theatrical
26 production that receives initial certification on or after July 1, 2017, except for the
27 students provided for in Subparagraph (c) of this Paragraph, or the construction of
28 a state-certified higher education musical or theatrical facility infrastructure project,
29 a company shall be allowed an additional tax credit of ~~seven~~ three and one-half

1 percent of such payroll; however, if the amount paid to any one person exceeds one
2 million dollars, the additional credit shall not include any amount paid to that person
3 that exceeds one million dollars.

4 * * *

5 (4)(a) Beginning July 1, 2017, the total amount of tax credits granted by the
6 department in any fiscal year shall not exceed ~~ten~~ five million dollars.

7 (b) For applications received on or after July 1, 2017, no more than ~~one~~
8 ~~million~~ five hundred thousand dollars in tax credits shall be granted per project.

9 * * *

10 §6036. Ports of Louisiana tax credits

11 * * *

12 C. Investor tax credit.

13 (1)

14 * * *

15 (b) The investor tax credit provided for in this Subsection shall be granted
16 by the Department of Economic Development for a qualifying project if the
17 commissioner of administration, after approval of the Joint Legislative Committee
18 on the Budget certifies to the secretary of the department that securing the project
19 will result in a significant positive economic benefit to the state. "Significant
20 positive economic benefit" means net positive tax revenue that shall be determined
21 by taking into account direct, indirect, and induced impacts of the project based on
22 a standard economic impact methodology utilized by the commissioner, and the
23 value of the credit, and any other state tax and financial incentives that are used by
24 the department to secure the project. If the commissioner with the approval of the
25 committee so certifies, then the Department of Economic Development may grant
26 a tax credit equal to ~~seventy-two~~ thirty-six percent of the total capital costs of such
27 qualifying project to be taken at ~~five~~ two and one-half percent per tax year or shall
28 grant such other amount of tax credit to be taken at such other percentage which is
29 warranted by the significant positive economic benefit determined by the

1 commissioner, but no tax credit granted for a qualifying project shall exceed ~~one~~
 2 ~~million eight~~ nine hundred thousand dollars per tax year. However, the total amount
 3 of tax credits granted on a qualifying project shall not exceed fifty percent of the
 4 total cost of the project. In addition, the investor tax credits granted by the
 5 department to any recipient pursuant to this Section shall be limited to an amount
 6 which shall not result in a reduction of tax liability by all recipients of such credits
 7 to exceed ~~four~~ two million ~~five~~ two hundred fifty thousand dollars in any fiscal year.

8 * * *

9 I. Import-export cargo tax credit.

10 * * *

11 (2)(a)(i) For taxable years beginning on and after January 1, 2014, there shall
 12 be allowed a credit against the individual income, corporation income, and
 13 corporation franchise tax liability of a taxpayer who has received certification
 14 pursuant to the provisions of Paragraph (1) of this Subsection, provided that the
 15 credit shall be allowed only against the tax liability of the international business
 16 entity which receives the certification. The amount of the credit shall be equal to the
 17 product of multiplying ~~three dollars and sixty~~ one dollar and eighty cents by the
 18 taxpayer's number of tons of qualified cargo for the taxable year which exceeds the
 19 pre-certification tonnage or the product of multiplying the number of dollars by the
 20 taxpayer's number of tons of qualified cargo for the taxable year or portion of a
 21 taxable year which exceeds the pre-certification tonnage which is warranted by the
 22 significant positive economic benefit determined by the commissioner pursuant to
 23 Item (ii) of this Subparagraph, whichever is less. For purposes of this Item, "pre-
 24 certification tonnage" means the number of tons of cargo which meets the definition
 25 of qualified cargo for purposes of this credit, and which was owned by the
 26 international business entity receiving the credit, were imported or exported to or
 27 from a manufacturing, fabrication, assembly, distribution, processing, or warehouse
 28 facility located in Louisiana, and which were so moved by way of an oceangoing
 29 vessel berthed at public port facilities in Louisiana during the calendar year prior to

1 the year in which the application is submitted. However, each tax credit granted to
2 a taxpayer shall be subject to the same limit as is provided for a qualifying project
3 pursuant to Subparagraph (C)(1)(b) of this Section. In addition, the import-export
4 cargo tax credits granted by the department to any recipient pursuant to this Section
5 shall be limited to an amount which shall not result in a reduction of tax liability by
6 all recipients of such credits to exceed ~~four~~ two million ~~five~~ two hundred fifty
7 thousand dollars in any fiscal year.

8 * * *

9 §6036.1. Louisiana Import Tax Credit

10 * * *

11 B. Definitions. For purposes of this Section, the following words and phrases
12 shall have the following meanings unless the context clearly indicates otherwise:

13 * * *

14 (4) "Port credit" shall mean a one-time tax credit of up to ~~fifty~~ twenty-five
15 dollars per TEU of cargo imported through a Louisiana public port, or up to ~~one~~
16 ~~hundred~~ fifty dollars per TEU of cargo imported through a Louisiana public port if
17 entering into a project agreement with the state, that may be applied against
18 Louisiana income tax liability, as set forth in Subsection G of this Section.

19 * * *

20 §6042. Credits; qualifying foster care charitable organizations

21 A.(1)(a) There shall be allowed a nonrefundable income tax credit for
22 donations a Louisiana taxpayer makes during a taxable year to a qualifying foster
23 care charitable organization. The amount of the credit shall be equal to fifty percent
24 of the actual amount of the donation used by the foster care organization to provide
25 services to qualified individuals, or ~~fifty~~ twenty-five thousand dollars, whichever is
26 less.

27 (b) The total amount of credits granted by the department pursuant to the
28 provisions of this Section shall not exceed ~~five hundred~~ two hundred fifty thousand
29 dollars per calendar year. The granting of credits shall be on a first-come,

1 first-served basis. If the total amount of credits claimed in any particular calendar
2 year exceeds the amount of tax credits authorized for that year, the excess shall be
3 treated as having been applied for on the first day of the subsequent year. All
4 requests received on the same business day shall be treated as received at the same
5 time, and if the aggregate amount of the requests received on a single business day
6 exceeds the total amount of available tax credits, tax credits shall be approved on a
7 pro rata basis.

8 * * *

9 §6105. Child care provider tax credit

10 A. There shall be a credit against any Louisiana individual or corporation
11 income tax or corporation franchise tax for a child care provider refundable as
12 provided for in R.S. 47:6108. The tax credit shall be an amount based upon the
13 average monthly number of children who either participate in the Child Care
14 Assistance Program administered by the office of children and family services in the
15 Department of Children and Family Services or who are foster children in the
16 custody of the Department of Children and Family Services, and who are attending
17 a child care facility or facilities operated by the child care provider, multiplied by an
18 amount which shall be based upon the quality rating of each child care facility
19 operated by the child care provider as follows:

20 Quality Rating of Child Care Facility Tax Credit Per Eligible Child Attending

21	Five star	\$1,500	<u>\$ 750</u>
22	Four star	\$1,250	<u>\$ 625</u>
23	Three star	\$1,000	<u>\$ 500</u>
24	Two star	\$ 750	<u>\$ 375</u>
25	One star or nonparticipating facility	0	

26 * * *

27 §6107. Business-supported child care

28 A.(1) There shall be a refundable credit against any Louisiana individual or
29 corporation income tax or corporation franchise tax for the eligible business child

1 care expenses supported by a business. The credit shall be the following percentages
2 of such eligible business child care expenses depending upon the quality rating of the
3 child care facility to which the expenses are related or the quality rating of the child
4 care facility the child attends:

Quality Rating of Child Care Facility	Percentage of eligible business child care expenses	
Five star	20%	<u>10%</u>
Four star	15%	<u>7.5%</u>
Three star	10%	<u>5%</u>
Two star	5%	<u>2.5%</u>
One star or nonparticipating facility	0	

12 (2) There shall be an additional refundable credit against any Louisiana
13 individual or corporation income tax or corporation franchise tax for the payment by
14 a business of fees and grants to child care resource and referral agencies not to
15 exceed ~~five~~ two thousand five hundred dollars per tax year.

16 * * *

17 §6301. Credit; donations to school tuition organizations

18 A.(1) For donations made on or after January 1, 2018, there shall be allowed
19 a nonrefundable income tax credit for donations a taxpayer makes during a taxable
20 year to a school tuition organization that provides scholarships to qualified students
21 to attend a qualified school. In order to qualify for the credit, the donation shall be
22 made by a taxpayer who is required to file a Louisiana income tax return. The
23 amount of the credit shall be equal to fifty percent of the actual amount of the
24 taxpayer's donation used by a school tuition organization to fund a scholarship to a
25 qualified student, which shall not include administrative costs.

26 * * *

27 Section 2. R.S. 51:1787(A)(1)(b) and (2)(a) and (b) and (G), 1924(B)(1), (2), and
28 (3)(a) and (b) and (D)(1), 2354(C), 2399.3(A)(2)(c), and 3085(B)(1)(a) are hereby amended
29 and reenacted to read as follows:

1 §1787. Enterprise zone incentives

2 A. The board, after consultation with the secretaries of the Department of
3 Economic Development and Department of Revenue, and with the approval of the
4 governor, may enter into contracts not to exceed five years to provide:

5 (1) For either:

6 * * *

7 (b) A refundable investment income tax credit equal to ~~one and one-half~~
8 seventy-five hundredths percent of the amount of qualified expenditures. For
9 purposes of this Paragraph, the term "qualified expenditures" shall mean amounts
10 classified as capital expenditures for federal income tax purposes plus exclusions
11 from capitalization provided for in Internal Revenue Code Section 263(a)(1)(A)
12 through (L), minus the capitalized cost of land, capitalized leases of land, capitalized
13 interest, capitalized costs of manufacturing machinery and equipment to the extent
14 the capitalized manufacturing machinery and equipment costs are excluded from
15 sales and use tax pursuant to R.S. 47:301(3), and the capitalized cost for the purchase
16 of an existing building. When a taxpayer purchases an existing building and capital
17 expenditures are used to rehabilitate the building, the costs of the rehabilitation only
18 shall be considered qualified expenditures. Additionally, a taxpayer shall be allowed
19 to increase their qualified expenditures to the extent a taxpayer's capitalized basis is
20 properly reduced by claiming a federal credit. A taxpayer earns the investment tax
21 credit in the year in which the project is placed in service, but the taxpayer may not
22 claim the investment tax credit until the Department of Economic Development signs
23 the project completion report or such other time as provided for by rule or regulation.
24 The project completion report for the refundable investment tax credit shall adhere
25 to the same requirements found in Subparagraph (a) for the sales and use tax rebate.

26 * * *

27 (2)(a) Except as provided in Subparagraph (b) of this Paragraph, for a ~~two~~
28 thousand five hundred one thousand two hundred fifty dollar tax credit per net new
29 employee as determined by the company's average annual employment reported

1 under the Louisiana Employment Security Law during the taxable year for which
2 credit is claimed. For projects for which the advance notification form is filed on or
3 after April 1, 2016, the amount of the credit provided for in this Subparagraph shall
4 be ~~one thousand~~ five hundred dollars per net new employee, unless either the net
5 new employee for which the credit is claimed was receiving Supplemental Nutrition
6 Assistance Program (SNAP), Women, Infants, and Children (WIC), Medicaid,
7 unemployment benefits, or any other benefits from a similar public assistance
8 program, as provided for in rule by the Department of Economic Development,
9 during the six-month period prior to employment or the net new employee is hired
10 by a participating business located in an enterprise zone. The amount of the credit
11 for each net new employee meeting these qualifications shall be ~~three~~ one thousand
12 ~~five~~ seven hundred fifty dollars. This tax credit may be applied to any state income
13 tax liability or any state corporate franchise tax liability, but not liabilities for penalty
14 or interest, due or outstanding at the time the credit is generated. However, credits
15 may be applied to a due or outstanding tax liability attributable to tax years prior to
16 the year in which the credit is generated only if the tax liability is the result of an
17 assessment, administrative, or judicial proceeding by the Department of Revenue
18 after an audit, provided that no further interest or penalty shall be accrued on such
19 tax liability after the credit is generated. If the entire credit cannot be used in the
20 year claimed, the remainder may be applied against the income tax or corporate
21 franchise tax for the succeeding ten taxable years or until the entire credit is used,
22 whichever occurs first. These credits shall also apply to those tax liabilities, but not
23 liabilities for penalty or interest, identified in tax years where existing contracts
24 generate the credit.

25 (b) In lieu of the tax credit provided in Subparagraph (a) of this Paragraph,
26 for aviation or aerospace industries as defined in North American Industry
27 Classification System (NAICS) Code 336411, 336412, 336413, and 332912, for a
28 ~~five~~ two thousand five hundred dollar tax credit for each new job created. This tax
29 credit may be applied to any state income tax liability or any state franchise tax

1 liability within a ten-year period from the date that the contract becomes effective
2 or until the entire credit is used, whichever occurs first.

3 * * *

4 G. The board, after consultation with the secretaries of the Department of
5 Economic Development and the Department of Revenue, and with the approval of
6 the governor, may enter into agreements with employers located in either urban or
7 rural enterprise zones or in economic development zones under which employers
8 may receive a two-year tax credit for a total of ~~two thousand five hundred one~~
9 thousand two hundred fifty dollars for each FITAP participant who is employed full
10 time for a period of not less than two years for compensation which will disqualify
11 such person from continued participation in the FITAP program. This tax credit may
12 be applied to any state income tax liability or any state franchise tax liability and
13 shall be used for the taxable year in which the increase in average annual
14 employment occurred. However, an employee shall be limited to two years
15 participation under the program. No employer shall obtain a credit for more than ten
16 employees in the first year of participation in the program authorized by this Section.
17 Employers shall be eligible for tax credits under the program for ten years.

18 * * *

19 §1924. Income tax credit or premium tax reduction

20 * * *

21 B.(1) The income tax credit shall be calculated by the commissioner as
22 ~~thirty-five~~ seventeen and one-half percent of the person's cash investment in the
23 certified capital of a certified Louisiana capital company.

24 (2) The total income tax credits granted in any calendar year shall not result
25 in an additional reduction of total income tax revenues of greater than ~~two~~ one
26 million dollars.

27 (3) During any calendar year in which this Subsection will limit the amount
28 of certified capital for which income tax credits are allowed, certified capital for
29 which income tax credits are allowed will be allocated among certified Louisiana

1 capital company groups. Requests for allocation shall be prepared for filing not later
2 than December first on a form prescribed by the commissioner, which form shall
3 include an affidavit by the person pursuant to which such person shall become
4 legally bound and irrevocably committed to make an investment of certified capital
5 in a certified Louisiana capital company subject only to receipt of an allocation
6 pursuant to this Subsection. Any requests for allocation filed with the commissioner
7 before December first of any calendar year shall be deemed to have been filed on
8 December first of such year. Requests for allocation shall be allocated as follows:

9 (a) When aggregate requests for allocation by certified Louisiana capital
10 company groups do not exceed ~~five million seven hundred fourteen thousand two~~
11 ~~hundred eighty-five~~ two million eight hundred fifty-seven thousand one hundred
12 forty-three dollars, all requests for allocations shall be approved by the
13 commissioner.

14 (b) When aggregate requests for allocation exceed ~~five million seven~~
15 ~~hundred fourteen thousand two hundred eighty-five~~ two million eight hundred fifty-
16 seven thousand one hundred forty-three dollars, each certified Louisiana capital
17 company group shall be entitled to receive an allocation to be calculated by dividing
18 ~~five million seven hundred fourteen thousand two hundred eighty-five~~ two million
19 eight hundred fifty-seven thousand one hundred forty-three dollars by the number
20 of certified Louisiana capital company groups requesting allocations. In the event
21 that this allocation results in one or more certified Louisiana capital groups receiving
22 an allocation in excess of the amount which was requested, such excess shall be
23 reallocated to the remaining certified Louisiana capital groups on an equal basis until
24 the entirety of the allocation has been fully distributed.

25 * * *

26 D.(1) The total insurance premium tax credits granted pursuant to R.S.
27 22:832(E) in any calendar year shall not result in an additional reduction of total

1 premium tax revenues of greater than ~~five~~ two million five hundred thousand dollars
2 per year.

3 * * *

4 §2354. Technology commercialization credit; amount; duration; forfeit

5 * * *

6 C. For applications for the technology commercialization credit approved on
7 or after July 1, 2017, the following shall apply:

8 (1) Except as provided in Paragraph (2) of this Subsection, the taxpayer may
9 earn and apply for and, if qualified, be granted a refundable tax credit which may be
10 applied to any income or corporation franchise tax liability owed to the state by the
11 taxpayer seeking to claim the credit, equal in value to ~~twenty-nine~~ fourteen and one-
12 half percent of the amount of money invested by the taxpayer applicant in
13 commercialization costs for one business location meeting the requirements of R.S.
14 51:2353(C)(1) and (2) as certified by the Department of Economic Development.

15 (2) A tax credit granted pursuant to this Part shall expire and have no value
16 or effect on tax liability beginning with the twenty-first tax year after the tax year in
17 which it was originally earned, applied for, and granted. An applicant that meets the
18 requirements of R.S. 51:2353 and is approved by the Department of Economic
19 Development may receive a refundable tax credit based on new jobs for the period
20 of time approved which shall be equal to ~~four~~ two percent multiplied by the gross
21 payroll of new direct jobs meeting the requirements of R.S. 51:2353(C)(3) and (4)
22 as certified by the Department of Economic Development.

23 * * *

24 §2399.3. Modernization tax credit

25 A.

26 * * *

27 (2)

28 * * *

29 (c) For credits approved on and after July 1, 2017, the following shall apply:

1 (i) The credits approved by the department shall be granted at the rate of ~~four~~
2 two percent of the amount of qualified expenditures incurred by the employer for
3 modernization with the credit divided in equal portions for five years, subject to the
4 limitations provided for in other Paragraphs of this Subsection.

5 (ii) The total amount of modernization tax credits granted by the Department
6 of Economic Development in any calendar year shall not exceed ~~seven million two~~
7 three million six hundred thousand dollars irrespective of the year in which claimed.
8 The department shall by rule establish the method of allocating available tax credits
9 to applicants, including but not limited to a first-come, first-served system,
10 reservation of tax credits for a specified time period, or other method which the
11 department, in its discretion, may find beneficial to the program. In the event that the
12 total amount of credits granted in any calendar year is less than ~~seven~~ three million
13 ~~two~~ six hundred thousand dollars, any residual amount of unused credits shall carry
14 forward for use in subsequent years and may be granted in addition to the ~~seven~~
15 ~~million two hundred thousand~~ dollar limit for each year.

16 * * *

17 §3085. Tax credit

18 * * *

19 B.(1)(a) The tax credit shall be calculated by the commissioner as ~~fifty-four~~
20 twenty-seven percent of the person's investment for the purposes of earning tax
21 credits.

22 * * *

23 Section 3. R.S. 47:12, 34, 37, 287.748, 287.749, 287.752, 287.755, 6012, 6016,
24 6021, 6025, 6026, 6030, 6035, 6037, and 6041 are hereby repealed in their entirety.

25 Section 4. The provisions of this Act shall be applicable to taxable periods beginning
26 on or after January 1, 2024.

27 Section 5. This Act shall become effective on January 1, 2024.

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 495 Original

2023 Regular Session

DeVillier

Abstract: Reduces the amount of certain income tax credits, deductions, exemptions, and exclusions by 50%.

Present law requires that the tax to be assessed, levied, collected, and paid on the La. taxable income of every corporation to be computed at the following rates:

- (1) 3.5% on the first \$50,000 of La. taxable income.
- (2) 5.5% on La. taxable income above \$50,000 but not in excess of \$150,000.
- (3) 7.5% on La. taxable income above \$150,000.

Present law includes various tax incentives in the form of credits, deductions, exemptions, and exclusions which reduce a taxpayer's overall tax liability.

Proposed law retains present law but reduces the amount of the following tax credits, deductions, exemptions, and exclusions established in present law by 50%:

- (1) Exclusion for corporations operating a public transportation system. (R.S. 47:51)
- (2) Deduction for depletion for oil and gas wells. (R.S. 47:158(C))
- (3) Deduction for depletion for coal and metal mines and sulphur. (R.S. 47:158(D))
- (4) Credit for insurance companies to offset premium taxes paid. (R.S. 47:227)
- (5) Deduction from net income from La. sources. (R.S. 47:246(A))
- (6) Exclusion for funds accrued by corporations operating a public transportation system. (R.S. 47:287.71(B)(2))
- (7) Exclusion for refunds of La. corporation income tax received during a taxable year. (R.S. 47:287.71(B)(3))
- (8) Exclusion for interest on obligations or securities issued by the state or political subdivisions. (R.S. 47:287.71(B)(4))
- (9) Deduction for certain expenses that would otherwise be deductible under federal law but for an exception under federal law for a state licensee dispensing therapeutic marijuana. (R.S. 47:287.73(C)(1))
- (10) Deduction for certain disallowed expenses that would otherwise be deductible under federal law relative to expenses for which credits are allowed. (R.S. 47:287.73(C)(4))
- (11) Deduction for net operating losses. (R.S. 47:287.86(A))
- (12) Credit for refunds by utilities. (R.S. 47:287.664)
- (13) Deduction for interest and dividends. (R.S. 47:287.738(F))

- (14) Deduction for hurricane recovery benefits. (R.S. 47:287.738(G))
- (15) Deduction for cost depletion for oil and gas wells. (R.S. 47:287.745(B))
- (16) La. work opportunity tax credit. (R.S. 47:287.750(K))
- (17) Credit for neighborhood assistance, job training and education. (R.S. 47:287.753(C))
- (18) Credit for development of an employee bone marrow donation program. (R.S. 47:287.758(B))
- (19) Credit for contractors offering health insurance coverage to employees when letting public work contracts. (R.S. 47:287.759(A) and (C)(3))
- (20) Deduction for employing qualified disabled individuals. (R.S. 47:297.13)
- (21) Credit for qualified new recycling manufacturing or process equipment and service contracts. (R.S. 47:6005(C)(1) and (D)(1))
- (22) Credit for ad valorem taxes paid on inventory. (R.S. 47:6006(D)(5))
- (23) Credit for ad valorem taxes paid for vessels on Outer Continental Shelf Act Waters. (R.S. 47:6006.1(E)(3))
- (24) Credit for motion picture productions. (R.S. 47:6007(J)(1)(b), (2)(a), and (3)(a))
- (25) Credit for donations to assist playgrounds in economically depressed areas. (R.S. 47:6008(A))
- (26) Credit for donations of immovable property made to public schools. (R.S. 47:6013(A)).
- (27) Credit for ad valorem taxes paid by telephone companies. (R.S. 47:6014(A))
- (28) Credit for research and development expenses and grants awarded by the federal Small Business Technology Transfer Program or a Small Business Innovation Research Grant. (R.S. 47:6015(C)(2) and (D)(1))
- (29) Credit pursuant to the La. New Markets Jobs Act. (R.S. 47:6016.1(B)(1)(b) and (E)(5)(b))
- (30) Credit for expenses paid by economic development corporations. (R.S. 47:6017(A))
- (31) Credit for purchases of specialty apparel items from businesses which utilize inmate labor. (R.S. 47:6018(C))
- (32) Credit for expenses associated with the rehabilitation of historic structures located in downtown development or cultural districts. (R.S. 47:6019(A)(1)(a), (c), and (e))
- (33) Credit issued pursuant to the Angel Investor Tax Credit Program. (R.S. 47:6020(D)(1) and (2)(a))
- (34) Credit for digital interactive media and software productions. (R.S. 47:6022(D)(4))
- (35) Credit for sound recording investors. (R.S. 47:6023(C)(1)(c), (d), and (e) and (3)(intro. para.))
- (36) Louisiana Youth Jobs tax credit program. (R.S. 47:6028(C)(1) and (4))

- (37) Credit for milk producers. (R.S. 47:6032(C) and (F))
- (38) Apprenticeship tax credits. (R.S. 47:6033(C)(1) and (2))
- (39) Musical and theatrical production tax credit.
(R.S. 47:6034(C)(1)(a)(iii)(cc), (c)(ii), and (d)(iii) and (4)(a) and (b))
- (40) Credit for conversion of vehicles to alternative fuel usage.
(R.S. 47:6035(C)(1) and (D))
- (41) Ports of La. tax credits. (R.S. 47:6036(C)(1)(b) and (I)(2)(a)(i))
- (42) La. Import tax credit. (R.S. 47:6036.1(B)(4))
- (43) Tax credits for qualifying foster care charitable organizations.
(R.S. 47:6042(A)(1)(a) and (b))
- (44) Credit for School Readiness Program child care providers. (R.S. 47:6105(A))
- (45) Credit for School Readiness Program business-supported child care expenses.
(R.S.47:6107(A))
- (46) Credit for donations to school tuition organizations. (R.S. 47:6301(A)(1))
- (47) Credits for enterprise zone incentives.
(R.S. 51:1787(A)(1)(b) and (2)(a) and (b) and (G))
- (48) Credit pursuant to the La. Capital Companies Tax Credit Program.
(R.S. 51:1924(B)(1), (2), and (3)(a) and (b) and (D)(1) and (2))
- (49) Credit for technology commercialization costs. (R.S. 51:2354(C))
- (50) Credits pursuant to the Retention and Modernization Act. (R.S. 51:2399.3(A)(2)(c))
- (51) Credits pursuant to the La. Community Development Financial Institution Act.
(R.S. 51:3085(B)(1)(a))

Proposed law repeals the following terminated or inapplicable credits:

- (1) Credit for low-income housing. (R.S. 47:12)
- (2) Credit for the generation of new full-time and part-time jobs in La. (R.S. 47:34 and 287.749)
- (3) Credit for contributions to educational institutions. (R.S. 47:37 and 287.755)
- (4) Credit for employment of re-entrants convicted of a felony. (R.S. 47:287.748)
- (5) Credit for employment of first-time nonviolent offenders. (R.S. 47: 287.752)
- (6) Credit for the donation of materials and equipment to public training providers and other educational schools and programs. (R.S. 47:6012)
- (7) Credit issued for qualified equity investments in disadvantaged areas of the state pursuant to the New Markets Tax Credit Program. (R.S. 47:6016)
- (8) Credit to encourage the cleanup, redevelopment, and productive reuse of brownfields sites in La. (R.S. 47:6021)

- (9) Credit for the La. Citizens Property Insurance Corp. assessment. (R.S. 47:6025)
- (10) Credit for heritage-based cottage industries located in the Cane River Heritage Area Development Zone. (R.S. 47:6026)
- (11) Credit for the purchase and installation of a solar energy system or for the lease of a system. (R.S. 47:6030)
- (12) Credit for conversion of vehicles to alternative fuel. (R.S. 47:6035)
- (13) Credit for energy efficiency and renewable energy industries. (R.S. 47:6037)
- (14) Credit for restaurants and bars affected by the COVID-19 pandemic. (R.S. 47:6041)

Applicable to taxable periods beginning on or after Jan. 1, 2024.

Effective Jan. 1, 2024.

(Amends R.S. 47:51, 158(C) and (D), 227, 246(A), 287.71(B)(2), (3), and (4), 287.73(C)(1) and (4), 287.86(A), 287.664, 287.738(F) and (G), 287.745(B), 287.750(C), 287.753(C), 287.758(B), 287.759(A) and (C)(3), 297.13(B), 6005(C)(1) and (D), 6006(D)(5), 6006.1(E)(3), 6007(J)(1)(b), (2)(a), and (3)(a), 6008(A), 6013(A), 6014(A), 6015(C)(2) and (D)(1), 6016.1(B)(1)(b) and (E)(5)(b), 6017(A), 6018(C), 6019(A)(1)(a), (c), and (e), 6020(D)(1) and (2)(a), 6022(D)(4), 6023(C)(1)(c), (d), and (e) and (3)(intro. para.), 6028(C)(1) and (4), 6032(C) and (F), 6033(C)(1) and (2), 6034(C)(1)(a)(iii)(cc), (c)(ii), and (d)(iii) and (4)(a) and (b), 6036(C)(1)(b) and (I)(2)(a)(i), 6036.1(B)(4), 6042(A)(1)(a) and (b), 6105(A), 6107(A), and 6301(A)(1) and R.S. 51:1787(A)(1)(b) and (2)(a) and (b) and (G), 1924(B)(1), (2), and (3)(a) and (b) and (D)(1), 2354(C), 2399.3(A)(2)(c), and 3085(B)(1)(a); Repeals R.S. 47:12, 34, 37, 287.748, 287.749, 287.752, 287.755, 6012, 6016, 6021, 6025, 6026, 6030, 6035, 6037, and 6041)