
DIGEST

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HB 614 Original

2023 Regular Session

Riser

Abstract: Authorizes an income tax credit for qualifying manufacturers of packaged fire safety equipment and requires entities claiming the credit to expend certain amounts on housing for formerly incarcerated persons in reentry initiatives or transitional work programs.

Proposed law authorizes a nonrefundable credit against La. income tax for qualifying manufacturers of packaged fire safety equipment. Provides that in order for a manufacturer of packaged fire safety equipment to be deemed a "qualifying manufacturer" for purposes of proposed law, the manufacturer shall meet all of the following requirements:

- (1) The manufacturer is incorporated in La.
- (2) The packaged fire safety equipment that the manufacturer produces is 100% manufactured and assembled in La.
- (3) The manufacturer has at least 10 years of direct experience and history manufacturing packaged fire safety pumps.
- (4) Two or more packaged fire safety pumps produced by the manufacturer have been in service for at least 10 years each, with no history of malfunction, on one or more oil and gas platforms in the Gulf of Mexico.
- (5) The facility at which the manufacturer's packaged fire safety equipment is produced is located within an enterprise zone as defined in present law (R.S. 51:1783).
- (6) At least 50% of the manufacturer's manufacturing workforce is comprised of formerly incarcerated individuals whose wages are greater than the state minimum wage.

Proposed law provides that in any taxable year, the amount of a qualifying manufacturer's credit shall equal the total amount of the manufacturer's purchase orders in that year for packaged fire safety equipment for onshore oil and gas applications and offshore oil and gas applications.

Proposed law provides that if the tax credit amount earned in a taxable year exceeds the total tax liability of a taxpayer in that year, the amount of the credit not used as an offset against the taxpayer's tax liability in the taxable year may be carried forward as a credit against subsequent income tax liabilities for a period not to exceed five taxable years.

Proposed law limits the total amount of credits granted by the Dept. of Revenue pursuant to proposed law to \$50,000,000 per calendar year.

Proposed law provides for claiming of the credit by corporations and partners and members of entities not taxed as corporations.

Proposed law authorizes a qualifying manufacturer to transfer not more than 10% of the credit amount it earns in a taxable year to one or more purchasers of its packaged fire safety equipment. However, proposed law prohibits an entity from receiving a transfer of credit unless it is the end user of the packaged fire safety equipment and is incorporated in La. Proposed law provides that such transfer of credits shall be subject to the provisions of present law known as the La. Tax Credit Registry Act (R.S. 47:1524).

Proposed law requires that in any taxable year, each qualifying manufacturer shall expend an amount equal to or greater than 10% of the credit amount it earned in the previous taxable year on housing for participants in a reentry initiative or transitional work program of the Dept. of Public Safety and Corrections. Provides for penalties for failure to comply with this requirement.

Proposed law prohibits the granting of any new credits pursuant to proposed law for any taxable year beginning after Dec. 31, 2028.

Proposed law applies to taxable periods beginning on or after Jan. 1, 2024.

(Adds R.S. 47:6043)