
DIGEST

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HB 626 Original

2023 Regular Session

Lyons

Abstract: Provides a refundable tax credit for workers who commute to out-of-state sites for jobs that had formerly been located in La.

Proposed law authorizes and provides for a refundable credit against state income tax for resident individuals employed in relocated jobs as defined in proposed law. Provides that the amount of the credit shall be equal to the annual total of transportation expenses incurred by the individual in commuting to and from a relocated job or \$5,000, whichever is less.

Proposed law defines "relocated job" as an individual's paid, full-time position with an employer, or a successor of the employer, which position meets all of the following qualifications:

- (1) The position is with an employer that engages in activities classified within Sector 31-33 (manufacturing) of the North American Industry Classification System published by the U.S. Bureau of the Census.
- (2) The site to which the individual regularly reported for duties of the position was formerly located in this state.
- (3) The site to which the individual, in order to maintain incumbency in the position, is required to regularly report for duties of the position was relocated to a location outside of this state.
- (4) The individual regularly commutes on a daily basis to and from the out-of-state location to which he is required to report for duties of the position.

Proposed law provides that in addition to the characteristics listed above, "relocated job" shall also mean any other position in an out-of-state location in which an individual subsequently becomes employed with the same employer, while maintaining continuous employment with that employer, after the relocation of his former position.

Proposed law requires taxpayers who claim the credit authorized in proposed law to maintain all records necessary to verify their eligibility for the credit and substantiate the credit amounts they claim. Requires that, if requested by the Dept. of Revenue, a taxpayer shall submit such records to the department in connection with the filing of their individual income tax return.

Proposed law provides that if the amount of the credit exceeds the taxpayer's tax liability for the taxable year, the excess credit amount shall constitute an overpayment and the Dept. of Revenue

shall refund the overpayment to the taxpayer, thereby creating the relocated jobs tax credit as a refundable credit.

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

(Adds R.S. 47:297.23)