2015 Regular Session

HOUSE BILL NO. 723

BY REPRESENTATIVE BURRELL

TAX CREDITS: Reduces certain income and corporation franchise tax credits

AN ACT

To amend and reenact R.S. 287.759(A) and (C)(3), 297(A), (B), (C)(1), (D)(2), (F), (G)(2), (H)(1), (I)(2), (J)(4), (K)(2)(a)(introductory paragraph), (L)(3)(introductory paragraph), (M)(1), (N)(1)(introductory paragraph) and (2), and (P)(2), 297.2, 297.4(A)(1)(a)(ii), (2), (3), and (4), 297.6(A)(1) and (5), and 6107(A) and R.S. 51:1787(A)(1)(b) and (2) and 1807(C) and to enact R.S. 47:297.4(A)(1)(a)(iii), relative to income and corporate franchise tax credits; to reduce the amount of tax credits; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 287.759(A) and (C)(3), 297(A), (B), (C)(1), (D)(2), (F), (G)(2), (H)(1), (I)(2), (J)(4), (K)(2)(a)(introductory paragraph), (L)(3)(introductory paragraph), (M)(1), (N)(1)(introductory paragraph) and (2), and (P)(2), 297.2, 297.4(A)(1)(a)(ii), (2), (3), and (4), 297.6(A)(1) and (5), and 6107(A) are hereby amended and reenacted and R.S. 47:297.4(A)(1)(a)(iii) is hereby enacted to read as follows:

§287.759. Tax credit for employee and dependent health insurance coverage

A. When any contractor or subcontractor in the letting of any contract for the construction of a public work offers health insurance coverage as provided for in this Section, they shall be eligible for a ~~five~~ <u>four</u> percent income tax credit on forty percent of the amount of the contract received in a tax year if eighty-five percent of the full-time employees of each contractor are offered health insurance coverage and

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

each such general contractor or subcontractor pays seventy-five percent of the total premium for such health insurance coverage for each full-time employee who chooses to participate and pays not less than fifty percent of the total premium for health insurance coverage for each dependent of the full-time employee who elects to participate in dependent coverage.

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(3) The credit shall not exceed ~~three million~~ <u>two million four hundred thousand</u> dollars per year.

* * *

§297. Reduction to tax due

A. The tax determined as provided in this Part shall be reduced by ~~one hundred~~ <u>eighty</u> dollars for any taxpayer, taxpayer's spouse, or dependent who is deaf, blind, mentally incapacitated, or has lost the use of one or more limbs. Only one credit is allowed for any one person.

B. The tax determined as provided in this Part shall be reduced by the following: a credit for the elderly, a credit for contributions to candidates for public office, an investment credit, a credit for foreign tax, a work incentive credit, jobs credit, and residential energy credits. The amount of these credits shall be the lesser of ~~twenty-five~~ <u>twenty</u> dollars or ~~ten~~ <u>eight</u> percent of the same credits allowed on the federal income tax return for the same taxable period.

C.(1) There shall be allowed to an individual, as a credit against the tax imposed by this Chapter for the taxable year, an amount equal to <u>eighty percent of</u> the state gasoline and motor fuels taxes and special fuels taxes paid to operate or propel a commercial fishing boat. The credit shall not be allowed for any such taxes for which a refund has been claimed pursuant to the provisions of Part VIII of Chapter 18 of this Subtitle.

* * *

D. In addition to any other credits against the tax payable on net income which the law allows to an individual taxpayer, the taxpayer shall be entitled to the tax credit against the tax payable on net income provided for as follows:

* * *

(2) Any taxpayer who so qualifies shall be entitled to a maximum tax credit of ~~twenty-five~~ <u>twenty</u> dollars per child for educational expenses.

* * *

F. There shall be allowed to an individual, as a credit against the tax imposed by this Chapter for the taxable year, an amount equal to ~~thirty-three and one-third~~ <u>twenty-seven</u> percent of the amount contributed in a family responsibility program under the provisions of R.S. 46:449. The amount of this credit shall not exceed ~~two hundred~~ <u>one hundred sixty</u> dollars per year.

G. There shall be an environmental equipment purchase tax credit to be determined as follows:

* * *

(2) The tax credit shall be ~~twenty~~ <u>sixteen</u> percent of the purchase price of the equipment if paid for in a single taxable year. If the equipment purchase is financed over two or more taxable years, the tax credit in a taxable year shall be ~~twenty~~ <u>sixteen</u> percent of that portion of the original purchase price paid in that taxable year. For partnerships and Subchapter S Corporations, the tax credit shall proportionately pass through to each partner or shareholder in the same percentage in which other shares of income, gain, loss, deduction or credit are distributed in accordance with the partnership or shareholder agreement.

* * *

H.(1) The tax determined as provided in this Part shall be reduced by the lesser of the tax due or ~~five thousand~~ <u>four thousand</u> dollars per taxable year up to a maximum of five years for each taxpayer meeting all of the following criteria.

* * *

I. There shall be a bone marrow donor expense tax credit for any individual taxpayer required to file a Louisiana tax return, acting as a business entity authorized to do business in the state, operating as either a sole proprietorship, a partner in a partnership, or as a Subchapter S Corporation, for bone marrow donor expense to be determined as follows:

* * *

(2) A credit against the taxes otherwise due under this Part for the tax year is allowed to an employer. The amount of the credit is equal to ~~twenty-five~~ twenty percent of the bone marrow donor expense paid or incurred during the tax year by an employer to provide a program for employees who are potential bone marrow donors or who actually become bone marrow donors.

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(4) The amount of the credit per tax year is equal to the least of the tax due, or ~~one hundred~~ eighty percent of the educational expenses, or ~~seven hundred fifty~~ six hundred dollars.

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(2)(a) The credit shall be ~~two hundred~~ one hundred sixty dollars per taxable year per eligible employee.

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(3) The total amount of the credit shall be the lesser of ~~the full~~ eighty percent of the purchase price including applicable taxes paid by the taxpayer or ~~one hundred~~ eighty dollars. In order to claim the tax credit provided in this Subsection, the qualified taxpayer must submit a certification from his employer ~~which~~ that:

* * *

M.(1) There shall be allowed a credit against the individual income tax for amounts paid as premiums for eligible long-term care insurance. The amount of the credit shall be equal to ~~ten~~ <u>eight</u> percent of the total amount of premiums paid annually by each individual claiming the credit.

* * *

N.(1) There shall be allowed a credit against individual income tax due in a taxable year equal to <u>eighty percent of</u> the following amounts incurred by a taxpayer during his tax year if related to the taxpayer's travel or absence from work because of a living organ donation by the taxpayer or the taxpayer's spouse:

* * *

(2) The credit provided for by this Section shall not exceed ~~ten~~ <u>eight</u> thousand dollars per organ donation. It shall be allowed against the income tax for the taxable period in which the credit is earned. If the tax credit exceeds the amount of such taxes due, then any unused credit may be carried forward as a credit against subsequent tax liability for a period not to exceed ten years.

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(2) The amount of the credit shall be ~~one thousand~~ <u>eight hundred</u> dollars, or <u>eighty percent of</u> the total tax liability of the taxpayer, whichever is less. The credit shall be taken in the taxable year in which the construction of the dwelling is completed. Only one tax credit may be granted per dwelling.

* * *

§297.2. Reduction to tax due

A person who maintains a household ~~which~~ <u>that</u> includes one or more dependents who are physically or mentally incapable of caring for themselves may take as a credit against the state income tax imposed by this Part ~~the full~~ <u>eighty percent of the</u> amount of a tax credit equal to the applicable percentage of employment-related expenses allowable pursuant to Section 21 of the Internal

Revenue Code. Any tax credit otherwise allowed under this Section ~~which~~ <u>that</u> is not used by the taxpayer in a particular year may be carried forward and offset against the taxpayer's tax liability for the next succeeding tax year.

* * *

§297.4. Reduction to tax due; certain child care expenses

A. There shall be a credit from the tax imposed by this Part for child care expenses for which a resident individual is eligible pursuant to the federal income tax credit provided by Internal Revenue Code Section 21 for the same taxable year. The credit shall be calculated using the following percentages :

(1)(a) If the resident individual's federal adjusted gross income is equal to or less than twenty-five thousand dollars, the credit shall be calculated based on the federal tax credit before it is reduced by the amount of the individual's federal income tax and be equal to the following amounts for the following tax years:

* * *

(ii) For tax years beginning after December 31, 2006<u>, and before December 31, 2014,</u> fifty percent of the unreduced federal credit.

<u>(iii) For tax years beginning after December 31. 2015, forty percent of the unreduced federal credit.</u>

* * *

(2) If the resident individual's federal adjusted gross income is greater than twenty-five thousand dollars and less than or equal to thirty-five thousand dollars, the credit shall be equal to ~~thirty~~ <u>twenty-four</u> percent of the federal credit for child care expenses claimed on the resident individual's federal tax return.

(3) If the resident individual's federal adjusted gross income is greater than thirty-five thousand and less than or equal to sixty thousand dollars, the credit shall be equal to ~~ten~~ <u>eight</u> percent of the federal credit for child care expenses claimed on the resident individual's federal tax return.

(4) If the resident individual's federal adjusted gross income is greater than sixty thousand dollars, the credit shall be equal to the lesser of ~~twenty-five~~ <u>twenty</u>

dollars or ~~ten~~ eight percent of the federal credit for child care expenses claimed on the resident individual's federal tax return.

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§297.6. Reduction to tax due; rehabilitation of residential structures

A.(1) There shall be a credit against individual income tax liability due under this Title for the amount of eligible costs and expenses incurred during the rehabilitation of an owner-occupied residential or owner-occupied mixed use structure located in a National Register Historic District, a local historic district, a Main Street District, a cultural products district, or a downtown development district, or such owner-occupied residential structure ~~which~~ that has been listed or is eligible for listing on the National Register, or such structure ~~which~~ that has been certified by the State Historic Preservation Office as contributing to the historical significance of the district, or a vacant and blighted owner-occupied residential structure located anywhere in the state that is at least fifty years old. The tax credit authorized pursuant to this Section shall be limited to one credit per structure rehabilitated. The total credit shall not exceed ~~twenty-five~~ twenty thousand dollars per structure. In order to qualify for that credit, the rehabilitation costs for the structure must exceed ten thousand dollars.

(a) If the credit is for the rehabilitation of an owner-occupied residential structure, the credit shall be ~~twenty-five~~ twenty percent of the eligible costs and expenses of a rehabilitation for which an application for credit has been filed for the first time after July 1, 2011. If the residential structure is owned and occupied by two or more individuals, the applicable percentage shall be based on the sum of all owner-occupants who contribute to the rehabilitation, and the credit will be divided between the owner-occupants in proportion to their contribution to the eligible costs and expenses.

(b) If the credit is for the rehabilitation of a vacant and blighted owner-occupied residential structure that is at least fifty years old, the credit shall be ~~fifty~~

forty percent of the eligible costs and expenses of a rehabilitation for which an application for credit has been filed for the first time after July 1, 2011.

* * *

(5) The maximum amount of tax credits allowed by the State Historic Preservation Office to be granted in any calendar year shall not exceed ~~ten~~ eight million dollars. The granting of credits under this Section shall be on a first-come, first-served basis. If the total amount of credits applied for in any particular year exceeds the aggregate amount of tax credits allowed for that year, the excess will be treated as having been applied for on the first day of the subsequent year.

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§6107. Business-supported child care

A.(1) There shall be a refundable credit against any Louisiana individual or corporation income tax or corporation franchise tax for the eligible business child care expenses supported by a business. The credit shall be the following percentages of such eligible business child care expenses depending upon the quality rating of the child care facility to which the expenses are related or the quality rating of the child care facility the child attends:

Quality Rating of Child Care Facility	Percentage of eligible business child care expenses
Five star	~~20%~~ 16%
Four star	~~15%~~ 12%
Three star	~~10%~~ 8%
Two star	~~5%~~ 4%
One star or nonparticipating facility	0

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

* * *

Section 2. R.S. 51:1787(A)(1)(b) and (2) and 1807(C) are hereby amended and reenacted to read as follows:

§1787. Incentives

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

(1) For either:

* * *

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

(2)(a) Except as provided in Subparagraph (b) of this Paragraph, for a ~~two thousand five hundred~~ two thousand dollar tax credit per net new employee as determined by the company's average annual employment reported under the Louisiana Employment Security Law during the taxable year for which credit is claimed. This tax credit may be applied to any state income tax liability or any state corporate franchise tax liability, but not liabilities for penalty or interest, due or outstanding at the time the credit is generated. However, credits may be applied to a due or outstanding tax liability attributable to tax years prior to the year in which the credit is generated only if the tax liability is the result of an assessment, administrative, or judicial proceeding by the Department of Revenue after an audit, provided that no further interest or penalty shall be accrued on such tax liability after the credit is generated. If the entire credit cannot be used in the year claimed, the remainder may be applied against the income tax or corporate franchise tax for the succeeding ten taxable years or until the entire credit is used, whichever occurs first. These credits shall also apply to those tax liabilities, but not liabilities for penalty or interest, identified in tax years where existing contracts generate the credit.

(b) In lieu of the tax credit provided in Subparagraph (a) of this Paragraph, for aviation or aerospace industries as defined in North American Industry Classification System (NAICS) Code 336411, 336412, 336413, and 332912, for a ~~five thousand~~ four thousand dollar tax credit for each new job created. This tax credit may be applied to any state income tax liability or any state franchise tax liability within a ten-year period from the date that the contract becomes effective or until the entire credit is used, whichever occurs first.

(c) Until June 30, 2009, in lieu of the tax credit provided in Subparagraph (a) of this Paragraph, for the motor vehicle parts manufacturing industry as defined in the 3363 NAICS Code Title, for a ~~five thousand~~ four thousand dollar tax credit for each new job created. This tax credit may be applied to any state income tax liability or any state franchise tax liability within a ten-year period from the date that the contract becomes effective or until the entire credit is used, whichever occurs first. As used in this Subparagraph, the term "NAICS" means the North American Industrial Classification System.

(d) Until June 30, 2012, in lieu of the tax credit provided in Subparagraph (a) of this Paragraph, for the rubber manufacturing industry as defined by NAICS Code 326211, a ~~five thousand~~ <u>four thousand</u> dollar tax credit for each new job created. This tax credit may be applied to any state income tax liability or any state franchise tax liability within a ten-year period from the date that the contract becomes effective or until the entire credit is used, whichever occurs first.

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§1807. Incentives

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C. The board, after consultation with the secretaries of the Department of Economic Development and the Department of Revenue and with the approval of the governor, may enter into contracts to provide for a ~~five thousand~~ <u>four thousand</u> dollar tax credit per net new employee as determined by the company's average annual employment reported under the Louisiana Employment Security Law. This tax credit may be applied to any state income tax liability or any state franchise tax liability and shall be used for the taxable year in which the increase in average annual employment occurred. However, if the entire credit cannot be used in the year earned, the excess of the credit over the aggregate tax liabilities against which the credit can be applied shall constitute an overpayment, as defined in R.S. 47:1621(A), and the secretary shall make a refund of such overpayment from the current collections of the taxes imposed by Chapter 1 and Chapter 5 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, as amended. The right to a refund of any such overpayment shall not be subject to the requirement of R.S. 47:1621(B).

* * *

Section 3. This Act shall become effective July 1, 2015.

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 723 Original 2015 Regular Session Burrell

Abstract: Reduces the amount of certain income and corporation franchise tax credits by 20%.

Present law (R.S. 47:287.759) provides for an income tax credit against the income tax for the period in which the credit was earned for certain contractors or subcontractors who contract to do public work. Present law allows a credit of 5% on 40% of the amount of the contract to do public work if the contractor or subcontractor offers 85% of their full-time employees health insurance coverage and pays 75% of the total premium for the health insurance coverage for each employee and not less than 50% for each dependent. Further limits the amount of the credit to not more than $3M per year.

Proposed law retains present law but reduces the amount of the credit allowed from 5% to 4% and reduces the maximum credit amount from $3M to $2.4M.

Present law (R.S. 47:297(A)) provides for a tax credit of $100 for any taxpayer when the taxpayer, taxpayer's spouse, or dependent is deaf, blind, mentally incapacitated, or has lost the use of one or more limbs.

Proposed law retains present law but reduces the amount of the credit from $100 to $80.

Present law (R.S. 47:297(B)) provides for a tax credit for the elderly, contributions to candidates for public office, investment credits, credits for foreign tax, work incentive credits, jobs credits, and residential credits. The amount of the credit is the lesser of $25 or 10% of the same credit allowed on the federal income tax return for the same tax year.

Proposed law retains present law but reduces the amount of the credit from the lesser of $25 or 10% of the credit allowed on the federal return to the lesser of $20 or 8% of the credit allowed on the federal return.

Present law (R.S. 47:297(C)) provides for an income tax credit for individuals in an amount equal to the state gasoline and motor fuels tax and special fuels taxes paid to operate or propel a commercial fishing boat.

Proposed law retains present law but reduces the amount of the credit from 100% of the amount of the gasoline, motor fuels, and special fuels taxes to 80%.

Present law (R.S. 47:297(D)) provides a $25 income tax credit per child for individual taxpayers for educational expenses.

Proposed law retains present law but reduces the amount of the credit from $25 to $20.

Present law (R.S. 47:297(F)) provides an income tax credit for individual taxpayers in an amount equal to 33.3% of the amount contributed to a family responsibility program under the provisions of present law. Further limits the credit to $200 per year.

Proposed law retains present law but reduces the amount of the credit from 33.3% to 27% of the contribution and reduces the maximum credit from $200 to $160.

Present law (R.S. 47:297(G)) provides for an income tax credit for taxpayers who purchase certain environmental equipment designed to recover or recycle chloroflourocarbons used as refrigerants in commercial, home, and automobile air-conditioning systems, refrigeration units, and industrial cooling applications. The credit allowed is 20% of the purchase price of the equipment, or if the equipment is financed, 20% of the original purchase price paid in that tax year.

Proposed law retains present law but reduces the amounts of the credit from 20% of the purchase price to 16%.

Present law (R.S. 47:297(H)) provides for an income tax credit for certain medical doctors and dentist who practice in designated rural areas. The credit allowed is $5,000 per taxable year up to a maximum of 5 years for each taxpayer meeting the criteria.

Proposed law retains present law but reduces the amount of the credit from $5,000 to $4,000 per taxable year.

Present law (R.S. 47:297(I)) provides an income tax credit for taxpayers for certain bone marrow donor expenses. The amount of the credit if 25% of the bone marrow donor expenses incurred during the tax year by an employer to provide the program.

Proposed law retains present law but reduces the amount of the credit from 25% to 20%.

Present law (R.S. 47:297(J)) provides an income tax credit for individual taxpayers for certain educational expenses associated with attending college. The amount of the credit is equal to the least of the tax due, or 100% of the educational expenses, or $750.

Proposed law retains present law but reduces the amount of the credit from the least of the tax due, 100% of the education expenses, or $750 to the least of the tax due, 80% of the education expenses, or $600.

Present law (R.S. 47:297(L)) provides an income tax credit for qualified taxpayers for the purchase of a bulletproof vest. Requires the qualified taxpayer to be a member of certain law enforcement. The amount of the credit is the lesser of the full purchase price including applicable taxes paid by the taxpayer or $100.

Proposed law retains present law but reduces the amount of the credit from the lesser of the full purchase price including applicable taxes or $100 to 80% of the full purchase price including applicable taxes or $80.

Present law (R.S. 47:297(M)) provides for an income tax credit against individual income tax for amounts paid as premiums for eligible long-term care insurance. The amount of the credit is equal to 10% of the total amount of premiums paid annually.

Proposed law retains present law but reduces the amount of the credit from 10% of the total amount of premiums to 8%.

Present law (R.S. 47:297(N)) provides for an income tax credit against individual income tax equal to certain amounts incurred by a taxpayer for the taxpayer's expenses because of a living organ donation by the taxpayer or taxpayer's spouse. The maximum amount of the credit allowed is $10,000.

Proposed law retains present law but reduces the maximum amount of the credit from $10,000 to $8,000.

Present law (R.S. 47:297(P)) provides for an income tax credit against individual income tax for inclusion of certain accessible and barrier-free design elements in the construction of a new one- or two- family dwelling. The amount of the credit is the lesser of $1,000 or the total tax liability of the taxpayer.

Proposed law retains present law but reduces the amount of the credit from the lesser of $1,000 or the total tax liability of the taxpayer to $800 or 80% of the total tax liability of the taxpayer.

Present law (R.S. 47:297.2) provides for an income tax credit for persons who maintain a household that includes one or more dependents who are physically or mentally incapable of caring for themselves. The amount of the credit is equal to the applicable percentage of employment-related expenses allowable pursuant to Section 21 of the IRC.

Proposed law retains present law but reduces the amount of the credit from 100% of the applicable percentage of the allowable employment-related expenses to 80% of the applicable percentage of the allowable employment-related expenses.

Present law (R.S. 47:297.4) provides for an income tax credit for individual taxpayers for certain child care expenses for which the individual is eligible for a federal income tax credit for the same year. The credit is allowed at varying amounts.

Proposed law retains present law but reduces the amounts of the credits as follows:

(1) For taxpayers whose federal adjusted gross income is equal to or less than $25,000, from 50% to 40% of the unreduced federal credit.

(2) For taxpayers whose federal adjusted gross income is greater than $25,000, but less than or equal to $35,000, from 30% to 24% of the federal credit allowed.

(3) For taxpayers whose federal adjusted gross income is greater than $35,000, but less than $60,000, from 10% to 8% of the federal credit allowed.

(4) For taxpayers whose federal adjusted gross income is greater than $60,000, from the lesser of $25 or 10% to the lesser of $20 or 8% of the federal credit allowed.

Present law (R.S. 47:297.6) provides for an income tax credit for individual income tax for the amount of eligible costs and expenses incurred during the rehabilitation of an owner-occupied residential or owner-occupied mixed use structure located in certain specific locations. The amount of the credit is equal to of 25% of the eligible costs and expenses of a rehabilitation. The maximum credit allowed is $25,000. Present law further authorizes a credit of 50% of the eligible costs and expenses of a rehabilitation of a vacant and blighted owner-occupied residential structure that is at least 50 years old. Present law provides an annual program cap of $10M.

Proposed law retains present law but reduces the credit amount from 25% to 20% of eligible costs and expenses and reduces the credit amount from 50% to 40% of eligible costs and expenses for the rehabilitation of the qualified vacant and blighted residential structures. Further reduces the maximum credit allowed from $25,000 to $20,000 and reduces the program cap from $10M to $8M.

Present law (R.S. 47:6107) provides for a refundable income tax or corporation franchise tax credit for eligible business child care expenses supported by a business. The amount of the credit shall be based on a percentage of eligible business child care expenses depending upon the quality rating of the child care facility to which the expenses are related or the quality rating of the child care facility the child attends. Present law provides for an additional refundable income or corporation franchise tax for the payment by a business of fees and grants to child care resource and referral agencies not to exceed $5,000 per tax year.

Proposed law retains present law but reduces the maximum amount of the additional refundable income or corporation franchise tax from $5,000 to $4,000. Further reduces the amount of the credit as follows:

(1) From 20% of eligible business child care expenses to 16% for 5 star facilities.

(2) From 15% of eligible business child care expenses to 12% for 4 star facilities.

(3) From 10% of eligible business child care expenses to 8% for 3 star facilities.

(4) From 5% of eligible business child care expenses to 4% for 2 star facilities.

Present law (R.S. 51:1787) provides for a refundable investment income tax credit for state income or corporate franchise tax liability for qualified expenditures made by a taxpayer in the economic development of qualified enterprise zones. The amount of the credit is 1.5% of the amount of the qualified expenditure. An additional credit of $2,500 is allowed for each net new employee. A $5,000 credit for each new job created is allowed for certain specific industries in lieu of this $2,500 credit.

Proposed law retains present law but reduces the amount of the credit for qualified expenditures from 1.5% to 1.2% and reduces the amount of the additional credit for each net new employee from $2,500 to $2,000. Further reduces the additional credits for specific industries from $5,000 for each new job created to $4,000.

Present law (R.S. 51:1807) provides for an income or franchise tax credit for businesses located in an urban revitalization zone. The credit is equal to $5,000 per net new employee. The credit received pursuant to present law is in lieu of any incentive received under the Enterprise Zone Program.

Proposed law retains present law but reduces the amount of the credit from $5,000 per net new employee to $4,000.

Effective July 1, 2015.

(Amends R.S. 287.759(A) and (C)(3), 297(A), (B), (C)(1), (D)(2), (F), (G)(2), (H)(1), (I)(2), (J)(4), (K)(2)(a)(intro. para.), (L)(3)(intro. para.), (M)(1), (N)(1)(intro. para.) and (2), and (P)(2), 297.2, 297.4(A)(1)(a)(ii), (2), (3), and (4), 297.6(A)(1) and (5), and 6107(A) and R.S. 51:1787(A)(1)(b) and (2) and 1807(C); Adds 47:297.4(A)(1)(a)(iii))