

2015 Regular Session

SENATE BILL NO. 266

BY SENATOR ADLEY

TAX/TAXATION. Limits historic and movie tax credits. (7/1/15)

AN ACT

To amend and reenact the introductory paragraph of R.S. 47:6007(C), the introductory paragraph of R.S. 47:6007(C)(4), and R.S. 47:6019(A)(1)(a) and (C), and to enact R.S. 47:6007(G) and 6019(D), relative to tax credits; to provide a baseline amount of credits that may be claimed in a fiscal year; to provide a termination date for the state buy-backs of such credits; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. The introductory paragraph of R.S. 47:6007(C), the introductory paragraph of R.S. 47:6007(C)(4), and R.S. 47:6019(A)(1)(a) and (C) are hereby amended and reenacted and R.S. 47:6007(G) and 6019(D) are hereby enacted to read as follows:

§6007. Motion picture investor tax credit

\* \* \*

C. Investor tax credit; specific productions and projects. **Subject to the provisions of Subsection G of this Section:**

\* \* \*

(4) Transferability of the credit. Any motion picture tax credits not previously

1 claimed by any taxpayer against its income tax may be transferred or sold to another  
2 Louisiana taxpayer or, **before July 1, 2015,** to the office, subject to the following  
3 conditions:

4 \* \* \*

5 **G.(1) Notwithstanding any other provision of this Section, for each fiscal**  
6 **year beginning Fiscal Year 2015-2016, no more than two hundred eight million**  
7 **dollars, the baseline average of the aggregate amount of claims filed for the**  
8 **credits provided for in this Section during the three fiscal years from Fiscal**  
9 **Year 2011-2012 to Fiscal Year 2013-2014, shall be allowed as a credit against**  
10 **income tax liability for all such claims for the credit filed during a fiscal year.**  
11 **Claims for the credit shall be allowed on a first-come, first-served basis. Any**  
12 **taxpayer whose claim for such tax credit is disallowed may use the tax credit**  
13 **against income tax liability due in a return filed in the next fiscal year, and his**  
14 **claim shall have priority over other claims filed after the date and time of his**  
15 **original claim.**

16 **(2) The authorization to transfer to the office any credit earned**  
17 **pursuant to this Section shall terminate June 30, 2015.**

18 \* \* \*

19 §6019. Tax credit; rehabilitation of historic structures

20 A.(1)(a) ~~There~~ **Subject to the provisions of Subsection C of this Section,**  
21 **there** shall be a credit against income and corporation franchise tax for the amount  
22 of eligible costs and expenses incurred during the rehabilitation of a historic structure  
23 located in a downtown development or a cultural district. The credit shall not exceed  
24 twenty-five percent of the eligible costs and expenses of the rehabilitation. No  
25 taxpayer, or any entity affiliated with such taxpayer, shall claim more than five  
26 million dollars of credit annually for any number of structures rehabilitated within  
27 a particular downtown development or cultural district.

28 \* \* \*

29 **C. (1) Notwithstanding any other provision of this Section to the**

contrary, for each fiscal year beginning Fiscal Year 2015-2016, no more than forty-six million dollars, the baseline average of the aggregate amount of claims filed for the credits provided for in this Section during the three fiscal years from Fiscal Year 2011-2012 to Fiscal Year 2013-2014, shall be allowed as a credit against income or corporate franchise tax liability, or both, for all such claims for the credit filed during a fiscal year. Claims for the credit shall be allowed on a first-come, first-served basis. Any taxpayer whose claim for such tax credit is disallowed may use the tax credit against income or corporate franchise tax liability due in a return filed in the next fiscal year and his claim shall have priority over other claims filed after the date and time of his original claim.

(2) The Department of Revenue shall exercise administrative authority over all determinations with regard to the tax credit provided in this Section, including determining eligibility for the credit and assuring that the provisions of this Subsection are enforced.

D. The provisions of this Section shall be effective for the taxable years ending prior to January 1, 2018.

Section 2. This Act shall become effective on July 1, 2015.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Laura Gail Sullivan.

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Present law provides for tax credits to encourage certain economic development activities. Provides for motion picture investor tax credits and for tax credits for rehabilitation of historic structures. Provides for the qualification and amounts of the credits.

Proposed law retains present law.

Present law relative to movie credits allows the credits to be transferred or sold to another taxpayer or to the Dept. of Economic Development.

Proposed law retains present law through June 30, 2015.

Proposed law relative to movie credits establishes a cap of \$208 million on the total amount of credits allowed in a fiscal year beginning with FY 2015-16. The cap is the baseline average of the aggregate amount of claims filed for the credits provided for in present law during the three fiscal years from FY 2011-12 to FY 2013-14.

Proposed law relative to historic structure rehabilitation credits establishes a cap of \$46 million on the total amount of credits allowed in a fiscal year beginning with FY 2015-16. The cap is the baseline average of the aggregate amount of claims filed for the credits provided for in present law during the three fiscal years from FY 2011-12 to FY 2013-14.

For both types of credits, proposed law provides that claims for the credit shall be allowed on a first-come, first-served basis. Provides that any taxpayer whose claim for the credit is disallowed may use the credit against income or corporate franchise tax liability due in a return filed in the next fiscal year and his claim shall have priority over other claims filed after the date and time of his original claim.

Proposed law relative to historic structure rehabilitation provides that the Dept. of Revenue shall exercise administrative authority over all determinations with regard to the tax credit, including determining eligibility for the credit and assuring that the provisions of proposed law are enforced.

Effective July 1, 2015.

(Amends R.S. 47:6007(C)(intro para), (C)(4)(intro para), and 6019(A)(1)(a) and (C); adds R.S. 47:6007(G) and 6019(D))