

2015 Regular Session

HOUSE BILL NO. 759

BY REPRESENTATIVE THIERRY

TAX CREDITS: Reduces certain income and corporation franchise tax credits

1 AN ACT

2 To amend and reenact R.S. 47:6008(A), 6009(D)(1), 6012(B), 6013(A), 6014(A),
3 6015(C)(2) and (D), 6016.1(B)(1) and (E)(5), 6017(A), and 6018(C), relative to
4 income and corporate franchise tax credits; to reduce the amount of tax credits; to
5 provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:6008(A), 6009(D)(1), 6012(B), 6013(A), 6014(A), 6015(C)(2)
8 and (D), 6016.1(B)(1) and (E)(5), 6017(A), and 6018(C) are hereby amended and reenacted
9 to read as follows:

10 §6008. Tax credits for donations made to assist playgrounds in economically
11 depressed areas

12 A. There shall be allowed a credit against any Louisiana income or
13 corporation franchise tax for qualified donations made to qualified playgrounds. The
14 credit shall be an amount equal to the lesser of ~~one thousand~~ eight hundred dollars
15 or ~~one-half~~ four tenths of the value of the cash, equipment, goods, or services
16 donated. Any such credit shall be taken as a credit against the applicable tax or taxes
17 only in the taxable period in which the donation is made. The total amount of the
18 credits taken by any taxpayer during any taxable year shall not exceed one thousand
19 dollars.

20 * * *

1 §6009. Louisiana Basic Skills Training Tax Credit

2 * * *

3 D. Tax credits. (1) Any Louisiana business or industry which satisfies the
4 criteria provided for herein shall, with submission of proper and complete
5 applications, receive a ~~two hundred fifty~~ two hundred dollar tax credit per
6 participating employee, with the total of all such basic skills training tax credits not
7 to exceed ~~thirty~~ twenty-four thousand dollars for any such single business or industry
8 enterprise in a particular tax year. This tax credit may be applied to any state income
9 tax liability or any state corporation franchise tax liability and, if the entire credit
10 cannot be used in the year earned, the remainder may be applied against income tax
11 or corporation franchise tax liabilities for the succeeding two tax years, or until the
12 entire credit is used, whichever occurs first.

13 * * *

14 §6012. Employer tax credits for donations of materials, equipment, advisors, or
15 instructors

16 * * *

17 B. There shall be a credit against any Louisiana income or corporation
18 franchise tax for the donation of the latest technology available in materials,
19 equipment, or instructors made to public training providers, secondary and
20 postsecondary vocational-technical schools, apprenticeship program registered with
21 the Louisiana Workforce Commission, or community colleges within the state. The
22 credit shall be an amount equal to ~~one-half~~ four tenths of the value of the donated
23 materials, equipment, or services rendered by the instructor. Any such credit shall
24 be taken as a credit against the applicable tax or taxes in the taxable period in which
25 the donation was made. This tax credit, when combined with all other applicable tax
26 credits, shall not exceed twenty percent of the employer's tax liability for any taxable
27 year.

28 * * *

1 §6013. Tax credits for donations made to public schools

2 A. There shall be allowed a credit against the corporate income tax and the
3 corporation franchise tax for qualified donations made to a public school. The credit
4 shall be an amount equal to ~~forty~~ thirty-two percent of the appraised value of the
5 qualified donation. Any such credit shall be taken as a credit against the corporate
6 income or corporation franchise tax for the taxable year in which the donation is
7 made. The total of all such credits taken in a taxable year shall not exceed the total
8 tax liability for that taxable year.

9 * * *

10 §6014. Credit for property taxes paid by certain telephone companies; fund

11 A. Pursuant to the provisions of this Section, there shall be allowed a credit
12 against Louisiana corporation or individual income taxes and Louisiana corporation
13 franchise tax for, and in an amount equal to, ~~forty~~ thirty-two percent of the aggregate
14 ad valorem taxes paid to political subdivisions of this state after December 31, 2000,
15 by a telephone company, as defined in R.S. 47:1851(Q), with respect to such
16 telephone company's public service properties, as defined in R.S. 47:1851(M), which
17 are assessed by the Louisiana Tax Commission at twenty-five percent of fair market
18 value pursuant to R.S. 47:1854.

19 * * *

20 §6015. Research and development tax credit

21 * * *

22 C.

23 * * *

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

26 (a) ~~Eight~~ Six percent of the difference, if any, of the Louisiana qualified
27 research expenses for the taxable year minus the base amount, if the taxpayer is an
28 entity that employs one hundred or more persons.

1 (b) ~~Twenty Sixteen~~ percent of the difference, if any, of the Louisiana
2 qualified research expenses for the taxable year minus the base amount, if the
3 taxpayer is an entity that employs fifty to ninety-nine persons.

4 (c) ~~Forty~~ Thirty-two percent of the Louisiana qualified research expenses for
5 the taxable year, if the taxpayer is an entity that employs less than fifty persons.

6 * * *

7 D. A taxpayer who receives a federal Small Business Innovation Research
8 Grant as created by the Small Business Innovation Development Act of 1982 (P.L.
9 97-219), reauthorized by the Small Business Research and Development
10 Enhancement Act (P.L. 102-564), and reauthorized again by the Small Business
11 Reauthorization Act of 2000 (P.L. 106-554), shall be allowed a refundable tax credit
12 in an amount equal to ~~forty~~ thirty-two percent of the award received during the tax
13 year.

14 * * *

15 §6016.1. Louisiana New Markets Jobs Act; premium tax credit

16 * * *

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

20 (1) "Applicable percentage" means ~~fourteen~~ eleven percent for the first and
21 second credit allowance dates and ~~eight and one-half~~ seven percent for the third and
22 fourth credit allowance dates.

23 * * *

24 E.

25 * * *

26 (5) A total of ~~fifty-five million~~ forty-four million dollars of qualified equity
27 investment authority shall be available for certification and allocation. The
28 department shall accept applications beginning on August 1, 2013, for allocation and
29 certification of up to ~~fifty-five million~~ forty-four million dollars of qualified equity

1 investments. If a pending request cannot be fully certified due to these limits of
2 qualified equity investment authority, the department shall certify the portion of
3 qualified equity investment authority that may be certified unless the qualified
4 community development entity elects to withdraw its request rather than receive
5 partial certification.

6 * * *

7 §6017. Tax credits for certain expenses paid by economic development corporations

8 A. There shall be allowed a credit against any Louisiana income or
9 corporation franchise taxes for the filing fee paid to the Louisiana State Bond
10 Commission that is incurred by an economic development corporation in the
11 preparation and issuance of bonds, as provided for in Chapter 27 of Title 33 of the
12 Louisiana Revised Statutes of 1950. The credit shall be an amount equal to eighty
13 percent of the amount of the filing fee paid to the Louisiana State Bond Commission
14 that is incurred by the corporation in the preparation and issuance of the bonds.

15 * * *

16 §6018. Tax credits for purchasers from "PIE contractors"

17 * * *

18 C. The amount of the credit shall be equal to eighty percent of the state sales
19 and use tax paid by the purchaser on each case or other unit of apparel during the
20 purchaser's tax year as reflected on the books and records of the purchaser during his
21 tax year.

22 * * *

23 Section 2. This Act shall be effective beginning 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 759 Original

2015 Regular Session

Thierry

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

Present law (R.S. 47:6008) provides for an income or corporation franchise tax credit for qualified donations made to qualified playgrounds. The amount of the credit is equal to the lesser of \$1,000 or one-half of the value of the cash, equipment, goods, or services donated.

Proposed law retains present law but reduces the amount of the credit from the lesser of \$1,000 or 50% of the value of the cash, equipment, goods, or services donated to the lesser of \$800 or 40% of the value of the cash, equipment, goods, or services donated.

Present law (R.S. 47:6009) provides for an income or corporation franchise tax credit for a La. business or industry that supports and encourages employee basic skills training by satisfying criteria established in present law and that submit proper and complete applications. The amount of the credit is \$250 per participating employee, with the total of all basic skills training credits not to exceed \$30,000 for any single business or industry enterprise in a particular tax year.

Proposed law retains present law but reduces the amount of the credit from \$250 per participating employee to \$200 and reduces the total maximum amount of all basic skills training credits from \$30,000 to \$24,000 for any single business or industry in a particular tax year.

Present law (R.S. 47:6012) provides for an income and corporation franchise tax credit for employers within the state to donate materials, equipment, or instructors to public training providers registered with the La. Workforce Commission, or community colleges to assist in the development of training programs designed to meet industry needs. The amount of the credit is equal to 50% of the value of the donated materials, equipment, or services rendered by the instructor.

Proposed law retains present law but reduces the amount of the credit from 50% of the value of the donated materials, equipment, or services rendered by the instructor to 40%.

Present law (R.S. 47:6013) provides for a corporate income and corporation franchise tax credit for qualified donations made to a public school. The amount of the credit is equal to 40% of the appraised value of the qualified donation.

Proposed law retains present law but reduces the amount of the credit from 40% of the appraised value of the qualified donation to 32%.

Present law (R.S. 47:6014) provides for an income and corporation franchise tax credit for ad valorem taxes paid to political subdivisions by a telephone company for the company's public service properties. The amount of the credit is equal to 40% of the aggregate ad valorem taxes paid by the telephone company to the political subdivision.

Proposed law retains present law but reduces the amount of the credit from 40% of the aggregate ad valorem taxes paid by the telephone company to 32%.

Present law (R.S. 47:6015) provides for an income and corporation franchise tax credit for taxpayers who employ persons in the state and claims a federal income tax credit for increasing research activities. The credit is allowed at varying amounts.

Proposed law retains present law but reduces the amount of the credit as follows:

- (1) For a taxpayer who employs 100 person or more, from 8% to 6%.
- (2) For a taxpayer who employs 50-99 persons, from 20% to 16%.
- (3) For a taxpayer who employs less than 50 persons, from 40% to 32%.

Present law further provides for an income and corporation franchise tax credit for taxpayers who receive a federal Small Business Innovation Research Grant of 40% of the award received.

Proposed law retains present law and reduces the credit from 40% to 32% of the award received.

Present law (R.S. 47:6016.1) provides for the La. New Markets Jobs Act for purposes of a tax credit that may be claimed against insurance premium tax. Eligibility is based on the investment of private capital in a low-income community business in La. The annual program cap is \$55M. The amount of the credit is authorized in varying amounts based on a certain percentage multiplied by the amount of the qualified investment. The percentage multiplier is based on the credit allowance date. The credit allowance dates are based on the initial date of the qualified investment and each of the six successive anniversary dates of the initial date.

Proposed law retains present law but reduces the annual program cap from \$55M to \$44M and reduces the amount of the credit from 14% to 11% of the qualified investment for the 1st and 2nd credit allowance dates and reduces the amount of the credit from 8.5% to 7% of the qualified investment for the 3rd and 4th credit allowance dates.

Present law (R.S. 47:6017) provides for an income or corporation franchise tax credit for the filing fee paid to the La. State Bond Commission. The amount of the credit is equal to the amount of the filing fee paid.

Proposed law retains present law but reduces the amount of the credit from 100% of the amount of the filing fee to 80%.

Present law (R.S. 47:6018) provides an income or corporation franchise tax credit for any individual or business that purchases specialty apparel items from a contractor in a certified Private Sector/Prison Industry Enhancement Program that employs inmates of Louisiana correctional institutions to manufacture specialty apparel items. The amount of the credit is equal to the state sales and use tax paid by the purchaser on each unit of apparel.

Proposed law retains present law but reduces the amount of the credit from an amount equal to the state sales and use tax to 80% of the state sales and use tax paid by the purchaser on each unit of apparel.

Effective July 1, 2015.

(Amends R.S. 47:6008(A), 6009(D)(1), 6012(B), 6013(A), 6014(A), 6015(C)(2) and (D), 6016.1(B)(1) and (E)(5), 6017(A), and 6018(C))