

2016 Second Extraordinary Session

HOUSE BILL NO. 32

BY REPRESENTATIVE MONTOUCET

TAX CREDITS: Reduces the amount of certain income and corporation franchise tax credits (Item #36)

1 AN ACT

2 To amend and reenact R.S. 25:1226.4(C)(1) and (2), R.S. 47:34(B)(1), 35(C), 37(C), 227,

3 265, 287.664, 287.748(B)(1), 287.749(B)(1), 287.752(B)(1), 287.753(C),

4 287.755(C), 287.758(B), 287.759(A) and (C)(3), 297(A), (B), (C)(1), (D)(2), (F),

5 (G)(2), (H)(1), (I)(2), (J)(4), (K)(2)(a), (L)(3)(introductory paragraph), (M)(1),

6 (N)(1)(introductory paragraph) and (2), and (P)(2), 297.6(A)(1) and (5), 297.9(A),

7 6004(A)(2)(introductory paragraph), 6005(C)(1) and (D)(1), 6008(A), 6009(D)(1),

8 6012(B), 6013(A), 6017(A), 6018(C), 6023(C)(1)(b) and (3)(introductory

9 paragraph), 6025(A)(1), 6026(D)(2) and (3), 6032(C) and (F),

10 6034(C)(1)(a)(iii)(bb)(introductory paragraph), (c)(ii), (d)(ii), 6035(C)(1) and (D),

11 6036(C)(1)(b) and (I)(2)(a)(i), and 6037(B)(1) and (2)(b), (c), and (d), and R.S.

12 51:1807(C), 2354(B), 2399.3(A)(2), and 3085(B)(1)(a) and to enact R.S.

13 47:6023(C)(1)(c) and 6034(C)(1)(a)(iii)(cc) and (dd), (c)(iii) and (iv), and (d)(iii) and

14 (iv) and R.S. 51:2354(C) and (D), relative to income and corporate franchise tax

15 credits provisions of Act No. 125 of the 2015 Regular Session; to reduce the amount

16 of tax credits; to provide for applicability and an effective date; and to provide for

17 related matters.

18 Be it enacted by the Legislature of Louisiana:

19 Section 1. R.S. 25:1226.4(C)(1) and (2) are hereby amended and reenacted to read  
20 as follows:

1 §1226.4. Tax exemptions and credits

2 \* \* \*

3 C.(1) Whenever the governor finds that a concern satisfies the requirements  
4 of this Part and the criteria established by rule, he shall advise the commerce board  
5 that it may enter into a contract with such cottage industry for a tax credit of up to  
6 ~~one thousand two hundred~~ seven hundred fifty dollars that may be used against the  
7 tax liability for state income and corporation franchise taxes related to the operations  
8 of the cottage industry within the development zone.

9 (2) In addition to those tax credits provided for in Paragraph (1) of this  
10 Subsection, the board may also enter into contracts with eligible cottage industries  
11 for a ~~one thousand two hundred~~ seven hundred fifty dollar tax credit per new  
12 employee hired during the taxable year for which the credit is claimed. In order to  
13 qualify for this credit, the applicant must have net new hires of one full-time  
14 employee or two part-time employees. A full-time employee is a person employed  
15 for at least thirty-two hours per week. A part-time employee is a person employed  
16 for at least twenty hours per week but less than thirty-two hours a week. In order to  
17 qualify as a new hire for purposes of this credit, the employee must have been a  
18 resident of the heritage area development zone for at least thirty days prior to  
19 employment. The credit may be applied to any state income tax liability or any state  
20 corporate franchise tax liability, but not liabilities for penalty or interest due or  
21 outstanding at the time the credit is generated. This credit shall be applicable only  
22 to a position that did not previously exist in the business and that is filled by a  
23 resident of the development zone who is performing duties in connection with the  
24 operation of the business as a regular, full-time employee.

25 \* \* \*

26 Section 2. R.S. 47:34(B)(1), 35(C), 37(C), 227, 265, 287.664, 287.748(B)(1),  
27 287.749(B)(1), 287.752(B)(1), 287.753(C), 287.755(C), 287.758(B), 287.759(A) and (C)(3),  
28 297(A), (B), (C)(1), (D)(2), (F), (G)(2), (H)(1), (I)(2), (J)(4), (K)(2)(a), (L)(3)(introductory  
29 paragraph), (M)(1), (N)(1)(introductory paragraph) and (2), and (P)(2), 297.6(A)(1) and (5),

1 297.9(A), 6004(A)(2)(introductory paragraph), 6005(C)(1) and (D)(1), 6008(A), 6009(D)(1),  
2 6012(B), 6013(A), 6017(A), 6018(C), 6023(C)(1) and (3)(introductory paragraph),  
3 6026(D)(2) and (3), 6032(C) and (F), 6034(C)(1)(a)(iii)(bb)(introductory paragraph), (c)(ii),  
4 and (d)(ii), 6035(C)(1) and (D), 6036(C)(1)(b) and (I)(2)(a)(i), and 6037(B)(1) and (2)(b),  
5 (c), and (d) are hereby amended and reenacted and R.S.47:6034(C)(1)(a)(iii)(cc), (c)(iii), and  
6 (d)(iii) are hereby enacted to read as follows:

7 §34. Corporation tax credit

8 \* \* \*

9 B.(1) The credit shall be a portion of the state corporate income tax, but not  
10 in excess of ~~thirty-six~~ twenty-five percent of such tax. Such portion shall be an  
11 amount determined by multiplying the number of new employees, as defined in  
12 Subsection C of this Section, by the following amounts:

- 13 (a) ~~seventy-two~~ Fifty dollars per eligible new employee per taxable year.
- 14 (b) ~~one hundred forty-four~~ One hundred dollars per eligible new  
15 economically disadvantaged employee per taxable year.
- 16 (c) ~~one hundred sixty-two~~ One hundred twelve dollars and fifty cents per  
17 new employee who is a resident of a neighborhood with an unemployment rate of ten  
18 percent or more per taxable year.

19 \* \* \*

20 §35. Neighborhood assistance tax credit

21 \* \* \*

22 C. The division of administration shall grant a tax credit against the state  
23 corporate income tax liability. A tax credit of up to ~~fifty~~ thirty-five percent of the  
24 actual amount contributed may be allowed for investment in programs approved by  
25 the commissioner of administration. Such credit for any corporation shall not exceed  
26 ~~one hundred eighty~~ one hundred twenty-five thousand dollars annually. No tax  
27 credit shall be granted to any bank, bank and trust company, insurance company,  
28 trust company, national bank, savings association, or building and loan association  
29 for activities that are a part of its normal course of business. Any tax credit not used

1 in the period the investment was made may be carried over for the next five  
2 succeeding taxable periods until the full credit has been allowed.

3 \* \* \*

4 §37. Tax credit for contributions to educational institutions

5 \* \* \*

6 C. There shall be allowed a credit against the tax liability due under the  
7 income tax for donations, contributions, or sales below cost of tangible movable  
8 property made to educational institutions in the state of Louisiana. The credit  
9 allowed by this Section shall be computed at the rate of ~~twenty-nine~~ twenty percent  
10 of such property's value, as defined herein, or, in the case of a sale below cost,  
11 ~~twenty-nine~~ twenty percent of the difference between the price received for the  
12 tangible movable property by the taxpayer and the value of the property as defined  
13 herein. The credit shall be limited to the total of the tax liability for the taxable year  
14 for which it is being claimed and shall be in lieu of the deductions from gross income  
15 provided for in R.S. 47:57. The credit shall not be allowed if the taxpayer arbitrarily,  
16 capriciously, or unreasonably discriminates against any person because of race,  
17 religion, ideas, beliefs, or affiliations.

18 \* \* \*

19 §227. Offset against tax

20 Every insurance company shall be entitled to an offset against any tax  
21 incurred under this Chapter, in the amount of any taxes, based on premiums,  
22 paid by it during the preceding twelve months, by virtue of any law of this  
23 state. Beginning on and after July 1, 2015, and before January 1, 2016, the  
24 offset shall be equal to seventy-two percent of the amount of any taxes, based  
25 on premiums. Beginning on and after January 1, 2016, the offset shall be  
26 equal to fifty percent of the amount of any taxes, based on premiums.

27 \* \* \*

28 §265. Credits arising from refunds by utilities

1           Whenever a utility refunds to its customers, pursuant to an order of a court  
2           or regulatory agency as a result of the denial of a proposed rate increase, an amount  
3           or amounts which, if taken as a deduction from gross income in the year paid or  
4           accrued, would result in a net loss, then in lieu of such deduction the utility may elect  
5           to take a credit against its Louisiana income tax in the amount of ~~seventy-two~~ fifty  
6           percent of the income tax increase which was the sole result of the inclusion of the  
7           amount or amounts refunded in gross income in the year or years received  
8           irrespective of whether or not the period of limitation provided in R.S. 47:1623 has  
9           expired for the year in which the amount refunded was included in gross income. If  
10          this credit exceeds the income tax that would be due the State of Louisiana in the  
11          year of the refund, computed without the credit, then the excess of this credit may  
12          be carried over the following two taxable years.

\*       \*       \*

14          §287.664. Credits arising from refunds by utilities

15           Whenever a utility refunds to its customers, pursuant to an order of a court  
16           or regulatory agency as a result of the denial of a proposed rate increase, an amount  
17           or amounts which, if taken as a deduction from gross income in the year paid or  
18           accrued, would result in a net loss, then in lieu of such deduction the utility may elect  
19           to take a credit against its Louisiana income tax in the amount of ~~seventy-two~~ fifty  
20           percent of the income tax increase which was the sole result of the inclusion of the  
21           amount or amounts refunded in gross income in the year or years received  
22           irrespective of whether or not the period of limitation provided in R.S. 47:1623 has  
23           expired for the year in which the amount refunded was included in gross income. If  
24           this credit exceeds the income tax that would be due the state of Louisiana in the year  
25           of the refund, computed without the credit, then the excess of this credit may be  
26           carried over the following two taxable years.

\*       \*       \*

28          §287.748. Corporation tax credit; re-entrant jobs credit

\*       \*       \*



1 bank, bank and trust company, insurance company, trust company, national bank,  
2 savings association, or building and loan association for activities that are a part of  
3 its normal course of business. Any tax credit not used in the period the investment  
4 was made may be carried over for the next five succeeding taxable periods until the  
5 full credit has been allowed.

6 \* \* \*

7 §287.755. Tax credit for contributions to educational institutions

8 \* \* \*

9 C. There shall be allowed a credit against the tax liability due under the  
10 income tax for donations, contributions, or sales below cost of tangible movable  
11 property made to educational institutions in the state of Louisiana. The credit  
12 allowed by this Section shall be computed at the rate of ~~twenty-nine~~ twenty percent  
13 of such property's value, as defined herein, or, in the case of a sale below cost,  
14 ~~twenty-nine~~ twenty percent of the difference between the price received for the  
15 tangible movable property by the taxpayer and the value of the property as defined  
16 herein. The credit shall be limited to the total of the tax liability for the taxable year  
17 for which it is being claimed and shall be in lieu of the deductions from gross income  
18 provided for in R.S. 47:57. The credit shall not be allowed if the taxpayer arbitrarily,  
19 capriciously, or unreasonably discriminates against any person because of race,  
20 religion, ideas, beliefs, or affiliations.

21 \* \* \*

22 §287.758. Tax credit for bone marrow donor expense

23 \* \* \*

24 B. A credit against the taxes otherwise due under this Part for the tax year  
25 is allowed to an employer. The amount of the credit is equal to ~~eighteen~~ twelve and  
26 one-half percent of the bone marrow donor expense paid or incurred during the tax  
27 year by an employer to provide a program for employees who are potential or who  
28 actually become bone marrow donors.

29 \* \* \*

1 §287.759. Tax credit for employee and dependent health insurance coverage

2 A. When any contractor or subcontractor in the letting of any contract for the  
3 construction of a public work offers health insurance coverage as provided for in this  
4 Section, they shall be eligible for a ~~three and six tenths~~ two and one-half percent  
5 income tax credit on forty percent of the amount of the contract received in a tax year  
6 if eighty-five percent of the full-time employees of each contractor are offered health  
7 insurance coverage and each such general contractor or subcontractor pays seventy-  
8 five percent of the total premium for such health insurance coverage for each full-  
9 time employee who chooses to participate and pays not less than fifty percent of the  
10 total premium for health insurance coverage for each dependent of the full-time  
11 employee who elects to participate in dependent coverage.

12 \* \* \*

13 C.

14 \* \* \*

15 (3) The credit shall not exceed ~~two million one hundred sixty~~ one million  
16 five hundred thousand dollars per year.

17 \* \* \*

18 §297. Reduction to tax due

19 A. The tax determined as provided in this Part shall be reduced by ~~seventy-~~  
20 ~~two~~ fifty dollars for any taxpayer, taxpayer's spouse, or dependent who is deaf, blind,  
21 mentally incapacitated, or has lost the use of one or more limbs. Only one credit is  
22 allowed for any one person.

23 B. The tax determined as provided in this Part shall be reduced by the  
24 following: a credit for the elderly, a credit for contributions to candidates for public  
25 office, an investment credit, a credit for foreign tax, a work incentive credit, jobs  
26 credit, and residential energy credits. The amount of these credits shall be the lesser  
27 of ~~eighteen dollars or seven and two tenths of one percent~~ twelve dollars and fifty  
28 cents or five percent of the same credits allowed on the federal income tax return for  
29 the same taxable period.



1 same percentage in which other shares of income, gain, loss, deduction or credit are  
2 distributed in accordance with the partnership or shareholder agreement.

3 \* \* \*

4 H.(1) The tax determined as provided in this Part shall be reduced by the  
5 lesser of the tax due or ~~three thousand six hundred~~ two thousand five hundred dollars  
6 per taxable year up to a maximum of five years for each taxpayer meeting all of the  
7 following criteria.

8 \* \* \*

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

14 \* \* \*

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

20 \* \* \*

21 J.

22 \* \* \*

23 (4) The amount of the credit per tax year is equal to the least of the tax due,  
24 or ~~seventy-two~~ fifty percent of the educational expenses, or ~~five hundred forty three~~  
25 hundred seventy-five dollars.

26 K.

27 \* \* \*

28 (2)(a) The credit shall be ~~one hundred forty-four~~ one hundred dollars per  
29 taxable year per eligible employee.

1 \* \* \*

2 L.

3 \* \* \*

4 (3) The total amount of the credit shall be the lesser of ~~seventy-two~~ fifty  
5 percent of the purchase price including applicable taxes paid by the taxpayer or  
6 ~~seventy-two~~ fifty dollars. In order to claim the tax credit provided in this Subsection,  
7 the qualified taxpayer must submit a certification from his employer that:

8 \* \* \*

9 M.(1) There shall be allowed a credit against the individual income tax for  
10 amounts paid as premiums for eligible long-term care insurance. The amount of the  
11 credit shall be equal to ~~seven~~ five percent of the total amount of premiums paid  
12 annually by each individual claiming the credit.

13 \* \* \*

14 N.(1) There shall be allowed a credit against individual income tax due in  
15 a taxable year equal to ~~seventy-two~~ fifty percent of the following amounts incurred  
16 by a taxpayer during his tax year if related to the taxpayer's travel or absence from  
17 work because of a living organ donation by the taxpayer or the taxpayer's spouse:

18 \* \* \*

19 (2) The credit provided for by this Section shall not exceed ~~seven thousand~~  
20 ~~two hundred~~ five thousand dollars per organ donation. It shall be allowed against the  
21 income tax for the taxable period in which the credit is earned. If the tax credit  
22 exceeds the amount of such taxes due, then any unused credit may be carried forward  
23 as a credit against subsequent tax liability for a period not to exceed ten years.

24 \* \* \*

25 P.

26 \* \* \*

27 (2) The amount of the credit shall be ~~seven hundred twenty~~ five hundred  
28 dollars, or ~~seventy-two~~ fifty percent of the total tax liability of the taxpayer,  
29 whichever is less. The credit shall be taken in the taxable year in which the

1 construction of the dwelling is completed. Only one tax credit may be granted per  
2 dwelling.

3 \* \* \*

4 §297.6. Reduction to tax due; rehabilitation of residential structures

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

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

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



1 §6005. Qualified new recycling manufacturing or process equipment and service  
2 contracts

3 \* \* \*

4 C.(1) A taxpayer who purchases qualified new recycling manufacturing or  
5 process equipment or qualified service contracts, or both, as defined in this Section  
6 and certified by the secretary of the Department of Environmental Quality to be used  
7 or performed exclusively in this state shall be entitled to a credit against any income  
8 and corporation franchise taxes imposed by the state in an amount equal to ~~fourteen~~  
9 ~~and four tenths of one~~ ten percent of the cost of the new recycling manufacturing or  
10 process equipment or qualified service contract, or both, less the amount of any other  
11 tax credits received for the purchase of such equipment or contract, or both.

12 \* \* \*

13 D.(1) The amount of the credit claimed in the taxable period for which  
14 certification of equipment is received, and the amount of credit claimed therefor in  
15 each taxable period thereafter, shall not exceed twenty percent of the amount of the  
16 total credit allowable. In no case shall the credit claimed exceed fifty percent of the  
17 tax liability which would be otherwise due for that taxable period. Any unused  
18 credit for a taxable year in which a credit is allowed may be carried forward to  
19 subsequent years until the credit is exhausted. Total credits certified by the secretary  
20 of the Department of Environmental Quality in any calendar year shall not exceed  
21 ~~three million six hundred thousand~~ two million five hundred thousand dollars.

22 \* \* \*

23 §6008. Tax credits for donations made to assist playgrounds in economically  
24 depressed areas

25 A. There shall be allowed a credit against any Louisiana income or  
26 corporation franchise tax for qualified donations made to qualified playgrounds. The  
27 credit shall be an amount equal to the lesser of ~~seven hundred twenty dollars or~~  
28 ~~thirty-six one hundredths~~ five hundred dollars or twenty-five one hundredths of the  
29 value of the cash, equipment, goods, or services donated. Any such credit shall be

1 taken as a credit against the applicable tax or taxes only in the taxable period in  
2 which the donation is made. The total amount of the credits taken by any taxpayer  
3 during any taxable year shall not exceed ~~one thousand~~ five hundred dollars.

4 \* \* \*

5 §6009. Louisiana Basic Skills Training Tax Credit

6 \* \* \*

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

17 \* \* \*

18 §6012. Employer tax credits for donations of materials, equipment, advisors, or  
19 instructors

20 \* \* \*

21 B. There shall be a credit against any Louisiana income or corporation  
22 franchise tax for the donation of the latest technology available in materials,  
23 equipment, or instructors made to public training providers, secondary and  
24 postsecondary vocational-technical schools, apprenticeship program registered with  
25 the Louisiana Workforce Commission, or community colleges within the state. The  
26 credit shall be an amount equal to ~~thirty-six one hundredths~~ twenty five percent of  
27 the value of the donated materials, equipment, or services rendered by the instructor.  
28 Any such credit shall be taken as a credit against the applicable tax or taxes in the  
29 taxable period in which the donation was made. This tax credit, when combined

1 with all other applicable tax credits, shall not exceed twenty percent of the  
2 employer's tax liability for any taxable year.

3 \* \* \*

4 §6013. Tax credits for donations made to public schools

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

12 \* \* \*

13 §6017. Tax credits for certain expenses paid by economic development corporations

14 A. There shall be allowed a credit against any Louisiana income or  
15 corporation franchise taxes for the filing fee paid to the Louisiana State Bond  
16 Commission that is incurred by an economic development corporation in the  
17 preparation and issuance of bonds, as provided for in Chapter 27 of Title 33 of the  
18 Louisiana Revised Statutes of 1950. The credit shall be an amount equal to ~~seventy-~~  
19 ~~two~~ fifty percent of the amount of the filing fee paid to the Louisiana State Bond  
20 Commission that is incurred by the corporation in the preparation and issuance of the  
21 bonds.

22 \* \* \*

23 §6018. Tax credits for purchasers from "PIE contractors"

24 \* \* \*

25 C. The amount of the credit shall be equal to ~~seventy-two~~ fifty percent of the  
26 state sales and use tax paid by the purchaser on each case or other unit of apparel  
27 during the purchaser's tax year as reflected on the books and records of the purchaser  
28 during his tax year.

29 \* \* \*

1 §6023. Sound recording investor tax credit

2 \* \* \*

3 C. Investor tax credit; state-certified productions and infrastructure projects.

4 (1)

5 \* \* \*

6 (b) For state-certified productions certified on and after July 1, 2015, and  
7 state-certified infrastructure projects which have been applied on or after July 1,  
8 2015, and before July 1, 2016, each investor shall be allowed a tax credit of eighteen  
9 percent of the base investment made by that investor in excess of fifteen thousand  
10 dollars or, if a resident of this state, in excess of five thousand dollars.

11 (c) For state-certified productions certified on and after July 1, 2016, and  
12 state-certified infrastructure projects which have been applied on or after July 1,  
13 2016, each investor shall be allowed a tax credit of twelve and one-half percent of  
14 the base investment made by that investor in excess of fifteen thousand dollars or,  
15 if a resident of this state, in excess of five thousand dollars.

16 \* \* \*

17 (3) Except as otherwise provided in this Paragraph, the aggregate amount of  
18 credits certified for all investors pursuant to this Section during any calendar year  
19 shall not exceed ~~two million one hundred sixty thousand~~ one million five hundred  
20 thousand dollars.

21 \* \* \*

22 §6026. Cane River heritage tax credit

23 \* \* \*

24 D.

25 \* \* \*

26 (2) The tax credit authorized by the provisions of this Section shall be for an  
27 amount of up to ~~one thousand eighty~~ seven hundred fifty dollars, which may be used  
28 against the tax liability for state income and corporation franchise taxes related to the  
29 operations of the cottage industry within the development zone.

1           (3) In addition, the department may also enter into contracts with eligible  
 2 cottage industries for a ~~one thousand eight~~ seven hundred fifty dollar tax credit per  
 3 new employee hired during the taxable year for which the credit is claimed. In order  
 4 to qualify for this credit, the applicant must have net new hires of one full-time  
 5 employee or two part-time employees. A full-time employee is a person employed  
 6 for at least thirty-two hours per week. A part-time employee is a person employed  
 7 for at least twenty hours per week but less than thirty-two hours a week. In order to  
 8 qualify as a new hire for purposes of this credit, the employee must have been a  
 9 resident of the heritage area development zone for at least thirty days prior to  
 10 employment. The credit may be applied to any state income tax liability or any state  
 11 corporate franchise tax liability, but shall not be applied to any liabilities for penalty  
 12 or interest due or outstanding at the time the credit is generated. This credit shall be  
 13 applicable only to a position that did not previously exist in the business and that is  
 14 filled by a resident of the development zone who is performing duties in connection  
 15 with the operation of the business as a regular, full-time employee.

\* \* \*

17 §6032. Tax credit for certain milk producers

\* \* \*

19           C. Each qualifying taxpayer is eligible for tax credits based on the  
 20 production and sale of milk below the announced production price over a calendar  
 21 year in accordance with the following schedule:

Amount of Milk Produced:	Amount of Tax Credit:
Up to 1,000,000 pounds	<del>\$3,600</del> <u>\$2,500</u>
1,000,001 to 1,500,000 pounds	<del>\$7,200</del> <u>\$5,000</u>
1,500,001 to 2,000,000 pounds	<del>\$10,800</del> <u>\$7,500</u>
2,000,001 to 2,500,000 pounds	<del>\$14,400</del> <u>\$10,000</u>
2,500,001 to 3,000,000 pounds	<del>\$18,000</del> <u>\$12,500</u>
3,000,001 pounds and above	<del>\$21,600</del> <u>\$15,000</u>

\* \* \*

1 F. The credit allowed for each producer pursuant to this Section shall not  
 2 exceed ~~twenty-one thousand six hundred~~ fifteen thousand dollars per calendar year.  
 3 The total aggregate amount of tax credits for all producers provided for under this  
 4 Section shall be capped at ~~one million eight hundred thousand~~ one million two  
 5 hundred fifty thousand dollars per calendar year.

6 \* \* \*

7 §6034. Musical and theatrical production income tax credit

8 \* \* \*

9 C. Income tax credits for state-certified productions and state-certified  
 10 musical or theatrical facility infrastructure projects:

11 (1) There is hereby authorized the following types of credits against the state  
 12 income tax:

13 (a)

14 \* \* \*

15 (iii)

16 \* \* \*

17 (bb) For state-certified projects that receive initial certification on or after  
 18 July 1, 2015, and before July 1, 2016, and except as limited for state-certified  
 19 infrastructure projects as provided for in this Subparagraph, the base investment  
 20 credit shall be for the following amounts:

21 \* \* \*

22 (cc) For state-certified projects that receive initial certification on or after  
 23 July 1, 2016, and except as limited for state-certified infrastructure projects as  
 24 provided for in this Subparagraph, the base investment credit shall be for the  
 25 following amounts:

26 (I) If the total base investment is greater than one hundred thousand dollars  
 27 and less than or equal to three hundred thousand dollars, a company shall be allowed  
 28 a tax credit of five percent of the base investment made by that company.





1 fuel property in a new motor vehicle purchased by a taxpayer with qualified  
 2 clean-burning motor vehicle fuel property installed by the vehicle's manufacturer and  
 3 the taxpayer is unable to, or elects not to determine the exact cost which is  
 4 attributable to such property, the taxpayer may claim a credit against individual or  
 5 corporate income tax for the taxable period in which the motor vehicle is purchased  
 6 equal to ~~seven and two tenths~~ five percent of the cost of the motor vehicle or one  
 7 thousand five hundred dollars, whichever is less, provided the motor vehicle is  
 8 registered in this state.

9 \* \* \*

10 §6036. Ports of Louisiana tax credits

11 \* \* \*

12 C. Investor tax credit. (1)

13 \* \* \*

14 (b) The Investor Tax Credit provided for in this Subsection shall be granted  
 15 by the Department of Economic Development for a qualifying project if the  
 16 commissioner of administration, after approval of the Joint Legislative Committee  
 17 on the Budget, and the state bond commission certifies to the secretary of the  
 18 department that securing the project will result in a significant positive economic  
 19 benefit to the state. "Significant positive economic benefit" means net positive tax  
 20 revenue that shall be determined by taking into account direct, indirect, and induced  
 21 impacts of the project based on a standard economic impact methodology utilized  
 22 by the commissioner, and the value of the credit, and any other state tax and financial  
 23 incentives that are used by the department to secure the project. If the commissioner  
 24 with the approval of the committee so certifies, then the Department of Economic  
 25 Development may grant a tax credit equal to ~~seventy-two~~ fifty percent of the total  
 26 capital costs of such qualifying project to be taken at five percent per tax year or  
 27 shall grant such other amount of tax credit to be taken at such other percentage which  
 28 is warranted by the significant positive economic benefit determined by the  
 29 commissioner, but no tax credit granted for a qualifying project shall exceed ~~one~~





1 (ii) If the total base investment is greater than three hundred thousand dollars  
2 and less than or equal to one million dollars, a company shall be allowed a tax credit  
3 of ~~fourteen and four tenths of one~~ ten percent of the base investment made by that  
4 company.

5 (iii) If the total base investment is greater than one million dollars, a  
6 company shall be allowed a tax credit of ~~eighteen~~ twelve and one-half percent of the  
7 base investment made by that company.

8 (c) To the extent that base investment is expended on payroll for Louisiana  
9 residents employed in connection with the construction of a state-certified green  
10 project, a company shall be allowed an additional tax credit of ~~seven and two tenths~~  
11 ~~of one~~ five percent of the payroll; however, if the amount paid to any one person  
12 exceeds one million dollars, the additional credit shall not include any amount paid  
13 to that person that exceeds one million dollars.

14 (d) To the extent that base investment is expended on payroll for Louisiana  
15 residents employed in connection with a state-certified green project, who are  
16 graduates of an institution within the Louisiana Community and Technical College  
17 System or graduates of an apprenticeship program registered with the Louisiana  
18 Workforce Commission, each investor shall be allowed an additional tax credit of  
19 ~~seventy-two one hundredths of one~~ one-half of one percent of such payroll.

20 \* \* \*

21 Section 3. R.S. 51:1807(C), 2354(B)(introductory paragraph), 2399.3(A)(2),  
22 and 3085(B)(1)(a) are hereby amended and reenacted and R.S. 51:2354(C) is hereby  
23 enacted to read as follows:

24 §1807. Incentives

25 \* \* \*

26 C. The board, after consultation with the secretaries of the Department of  
27 Economic Development and the Department of Revenue and with the approval of the  
28 governor, may enter into contracts to provide for a ~~three thousand six hundred two~~  
29 thousand five hundred dollar tax credit per net new employee as determined by the

1 company's average annual employment reported under the Louisiana Employment  
 2 Security Law. This tax credit may be applied to any state income tax liability or any  
 3 state franchise tax liability and shall be used for the taxable year in which the  
 4 increase in average annual employment occurred. However, if the entire credit  
 5 cannot be used in the year earned, the excess of the credit over the aggregate tax  
 6 liabilities against which the credit can be applied shall constitute an overpayment,  
 7 as defined in R.S. 47:1621(A), and the secretary shall make a refund of such  
 8 overpayment from the current collections of the taxes imposed by Chapter 1 and  
 9 Chapter 5 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, as  
 10 amended. The right to a refund of any such overpayment shall not be subject to the  
 11 requirement of R.S. 47:1621(B).

12 \* \* \*

13 §2354. Technology commercialization credit; amount; duration; forfeit

14 \* \* \*

15 B. For applications for the technology commercialization credit approved on  
 16 or after July 1, 2015, and before July 1, 2016, the following shall apply:

17 \* \* \*

18 C. For applications for the technology commercialization credit approved on  
 19 or after July 1, 2016, the following shall apply:

20 (1) Except as provided in Paragraph (2) of this Subsection, the taxpayer may  
 21 earn and apply for and, if qualified, be granted a refundable tax credit which may be  
 22 applied to any income or corporation franchise tax liability owed to the state by the  
 23 taxpayer seeking to claim the credit, equal in value to twenty percent of the amount  
 24 of money invested by the taxpayer applicant in commercialization costs for one  
 25 business location meeting the requirements of R.S. 51:2353(C)(1) and (2) as certified  
 26 by the Department of Economic Development.

27 (2) A tax credit granted pursuant to this Part shall expire and have no value  
 28 or effect on tax liability beginning with the twenty-first tax year after the tax year in  
 29 which it was originally earned, applied for, and granted. An applicant that meets the

1 requirements of R.S. 51:2353 and is approved by the Department of Economic  
2 Development may receive a refundable tax credit based on new jobs for the period  
3 of time approved which shall be equal to three percent multiplied by the gross  
4 payroll of new direct jobs meeting the requirements of R.S. 51:2353(C)(3) and (4)  
5 as certified by the Department of Economic Development.

6 \* \* \*

7 §2399.3. Modernization tax credit

8 A.

9 \* \* \*

10 (2)(a)(i) For credits approved prior to July 1, 2015, the following shall apply:

11 (i) (I) The credits approved by the department shall be granted at the rate of  
12 five percent of the amount of qualified expenditures incurred by the employer for  
13 modernization with the credit divided in equal portions for five years, subject to the  
14 limitations provided for in other Paragraphs of this Subsection.

15 (ii) (II) The total amount of modernization tax credits granted by the  
16 Department of Economic Development in any calendar year shall not exceed ten  
17 million dollars irrespective of the year in which claimed. The department shall by  
18 rule establish the method of allocating available tax credits to applicants, including  
19 but not limited to a first come, first served system, reservation of tax credits for a  
20 specified time period, or other method which the department, in its discretion, may  
21 find beneficial to the program. In the event that the total amount of credits granted  
22 in any calendar year is less than seven million two hundred thousand dollars, any  
23 residual amount of unused credits shall carry forward for use in subsequent years and  
24 may be granted in addition to the seven million two hundred thousand dollar limit  
25 for each year.

26 (b) (ii) For credits approved on and after July 1, 2015, and before July 1,  
27 2016, the following shall apply:

28 (i) (I) The credits approved by the department shall be granted at the rate of  
29 three and six-tenths of one percent of the amount of qualified expenditures incurred

1 by the employer for modernization with the credit divided in equal portions for five  
2 years, subject to the limitations provided for in other Paragraphs of this Subsection.

3 (ii) (II) The total amount of modernization tax credits granted by the  
4 Department of Economic Development in any calendar year shall not exceed seven  
5 million two hundred thousand dollars irrespective of the year in which claimed. The  
6 department shall by rule establish the method of allocating available tax credits to  
7 applicants, including but not limited to a first come, first served system, reservation  
8 of tax credits for a specified time period, or other method which the department, in  
9 its discretion, may find beneficial to the program. In the event that the total amount  
10 of credits granted in any calendar year is less than seven million two hundred  
11 thousand dollars, any residual amount of unused credits shall carry forward for use  
12 in subsequent years and may be granted in addition to the seven million two hundred  
13 thousand dollar limit for each year.

14 (iii) For credits approved on and after July 1, 2016, the following shall apply:

15 (I) The credits approved by the department shall be granted at the rate of two  
16 and one-half percent of the amount of qualified expenditures incurred by the  
17 employer for modernization with the credit divided in equal portions for five years,  
18 subject to the limitations provided for in other Paragraphs of this Subsection.

19 (II) The total amount of modernization tax credits granted by the Department  
20 of Economic Development in any calendar year shall not exceed five million dollars  
21 irrespective of the year in which claimed. The department shall by rule establish the  
22 method of allocating available tax credits to applicants, including but not limited to  
23 a first come, first served system, reservation of tax credits for a specified time period,  
24 or other method which the department, in its discretion, may find beneficial to the  
25 program. In the event that the total amount of credits granted in any calendar year  
26 is less than five million dollars, any residual amount of unused credits shall carry  
27 forward for use in subsequent years and may be granted in addition to the five  
28 million dollar limit for each year.

29 \* \* \*

1 §3085. Tax credit

2 \* \* \*

3 B.(1)(a) The tax credit shall be calculated by the commissioner as ~~fifty-four~~  
4 thirty-seven and one-half percent of the person's investment for the purposes of  
5 earning tax credits.

6 \* \* \*

7 Section 4. Sections 1, 2, and 3 of this Act shall apply to any return filed for any  
8 taxable year beginning on or after January 1, 2016.

9 Section 5. Notwithstanding any contrary provision of Sections 7 or 8 of Act No. 125  
10 of the 2015 Regular Session, as amended by Act No. 29 of the 2016 First Extraordinary  
11 Session, the provisions of Section 1, 2, and 3 of Act No. 125 of the 2015 Regular Session  
12 of the Legislature shall cease to be effective on the effective date of Sections 1, 2, and 3 of  
13 this Act and Sections 4, 5, and 6 of Act No. 125 of the 2015 Regular Session shall not  
14 become effective.

15 Section 6. This Act shall become effective upon signature by the governor or, if not  
16 signed by the governor, upon expiration of the time for bills to become law without signature  
17 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
18 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
19 effective on the day following such approval.

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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)]

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HB 32 Original                      2016 Second Extraordinary Session                      Montoucet

**Abstract:** Reduces the income and corporation franchise tax credits contained in Act No. 125 of the 2015 R.S..

Present law provides for the following income and corporation franchise tax credits:

- (1) R.S. 25:1226.4 Atchafalaya Trace Heritage Area Development Zone tax credit
- (2) R.S. 47:34 Corporation tax credit
- (3) R.S. 47:35 Neighborhood assistance tax credit

- (4) R.S. 47:37 Credit for contributions to educational institutions
- (5) R.S. 47:227 Offset against tax; insurance premium
- (6) R.S. 47:265 Credits arising from refunds by utilities
- (7) R.S. 47:287.664 Credits arising from refunds by utilities
- (8) R.S. 47:287.748 Corporation tax credit; re-entrant jobs credit
- (9) R.S. 47:287.749 Jobs credit
- (10) R.S. 47:287.752 Credit for employment of first-time nonviolent offenders
- (11) R.S. 47:287.753 Neighborhood assistance tax credit
- (12) R.S. 47:287.755 Credit for contributions to educational institutions
- (13) R.S. 47:287.758 Credit for bone marrow donor expense
- (14) R.S. 47:287.759 Credit for employee and dependent health insurance coverage
- (15) R.S. 47:297 Reduction to tax due
- (16) R.S. 47:297.6 Credit for rehabilitation of residential structures
- (17) R.S. 47:297.9 Certain military servicemembers and dependents hunting and fishing licenses
- (18) R.S. 47:6004 Employer Credit
- (19) R.S. 47:6005 Qualified new recycling manufacturing equipment and service contracts
- (20) R.S. 47:6008 Credit for donations to assist playgrounds in economically depressed areas
- (21) R.S. 47:6009 Louisiana Basic Skills Training Tax Credit
- (22) R.S. 47:6012 Employer tax credits for donations of materials, equipment, advisors, or instructors
- (23) R.S. 47:6013 Credit for donations to public schools
- (24) R.S. 47:6017 Credit for expenses paid by economic development corporations
- (25) R.S. 47:6018 Credit for purchasers from "PIE contractors"
- (26) R.S. 47:6023 Sound recording investor tax credit
- (27) R.S. 47:6026 Cane River heritage tax credit
- (28) R.S. 47:6032 Credit for certain milk producers
- (29) R.S. 47:6034 Musical and theatrical production income tax credit
- (30) R.S. 47:6035 Credit for conversion of vehicles to alternative fuel usage

- (31) R.S. 47:6037 Credit for "green job industries"
- (32) R.S. 51:1807 Incentives (Urban Revitalization)
- (33) R.S. 51:2354 Technology commercialization credit
- (34) R.S. 51:2399.3 Modernization tax credit

Present law (R.S. 47:34 and R.S. 47:287.749) provides for an income tax credit to be used against the tax liability of corporate income taxpayers who generate new full-time and part-time jobs in the state. This tax credit is allowed in lieu of any tax exemptions granted pursuant to the Louisiana Enterprise Zone Act, any ad valorem property tax exemptions for business or industry, or any ad valorem tax exemption allowed through the State Board of Commerce and Industry pursuant to La. Const. Art. VII, Sec. 21(F). The credit is equal to the number of new employees multiplied by varying amounts.

Present law allows the following tax credits:

- (1) \$72 per eligible new employee per taxable year.
- (2) \$140 per eligible new economically disadvantaged employee per taxable year.
- (3) \$162 per new employee who is a resident of a neighborhood with an employment rate of 10% or more per taxable year.

Proposed law reduces the eligible amount per employee as follows:

- (1) From \$72 to \$50 per eligible new employee per taxable year.
- (2) From \$140 to \$100 per eligible new economically disadvantaged employee per taxable year.
- (3) From \$162 to \$112.50 per new employee who is a resident of a neighborhood with an employment rate of 10% or more per taxable year.

Present law (R.S. 47:35 and 287.753) provides for an income tax credit against the state corporate income tax liability for any business firm engaged in certain activities of providing neighborhood assistance, job training, education for individuals, community services, or crime prevention in the state.

Present law allows a tax credit of up to 50% of the actual amount contributed, not to exceed \$180,000 annually per corporation.

Proposed law reduces the amount of the credit from 50% to 35% of the actual amount contributed and reduces the maximum credit amount from \$180,000 to \$125,000.

Present law (R.S. 47:37 and R.S. 47:287.755) provides for an income tax credit against a taxpayer's tax liability for contributions, donations, or selling below cost tangible movable property to a public educational institution for the purposes of research, research training, or direct education of students in the state.

Present law allows a tax credit equal to 29% of the property's value, or in the case of sale below cost, 29% of the difference between the price received and the value of the property.

Proposed law reduces the allowable credit from 29% to 20% of either the property value or the difference between the price received and the value of the property.

Present law (R.S. 47:227) provides for an offset for every insurance company against tax incurred for taxes on premiums.

Present law allows an offset equal to 72% of the tax incurred.

Proposed law reduces the amount of the offset from 72% of the tax incurred to 50% of the taxes incurred on premiums.

Present law (R.S. 47:265 and 287.664) provides for an income tax credit for utility companies against Louisiana income tax for amounts the utility company may have refunded to a customer pursuant to an order of the court or regulatory agency as a result of the denial of a New rate increase. The credit may be taken in lieu of a deduction from gross income if the deduction would result in a net loss.

Present law allows a tax credit equal to 72% of the amount of the income tax increase had the amounts refunded been included in the gross income.

Proposed law reduces the amount of the credit from 72% of the amount of the income tax increase to 50% of the income tax increase.

Present law (R.S. 47:287.748) provides for an income tax credit against the corporate income tax liability for taxpayers who employ an eligible Intensive Incarceration Program re-entrant.

Present law allowed a tax credit equal to \$108 per eligible re-entrant employed, not exceed 36% of the corporate income tax.

Proposed law reduces the credit from \$108 per eligible re-entrant to \$75 per eligible re-entrant and decreases the maximum allowable credit from 36% of the corporate income tax to 25% of the corporate income tax.

Present law (R.S. 47:287.752) provides for an income tax credit for each taxpayer who provides full-time employment to an individual who has been convicted of a first-time nonviolent offense. Requires certification by the employee's probation officer that the employee has successfully completed a drug treatment program, or any other court-ordered program, and that the employee has worked 180 days full-time for the employer seeking the credit.

Present law allows a tax credit equal to \$144 per eligible employee per taxable year.

Proposed law reduces the amount of the credit from \$144 per eligible employee to \$100 per eligible employee.

Present law (R.S. 47:287.758 and R.S. 47:297(I)) provides an income tax credit for taxpayers for certain bone marrow donor expenses.

Present law allows a tax credit equal to 18% of the bone marrow donor expenses incurred during the tax year by an employer to provide the program.

Proposed law reduces the amount of the credit from 18% to 12.5% of expenses incurred.

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 tax credit equal to 3.6% on a specified amount of the contract to do public work if the contractor or subcontractor offers the requisite number of their full-time employees health insurance coverage and pays the requisite amount of the total premium for

the health insurance coverage for each employee and dependent. Further limited the amount of the tax credit to not more than \$2.16 million per year.

Proposed law reduces the amount of the credit allowed from 3.6% to 2.5% of the specified amount of the contract and reduces the maximum credit amount from \$2.16 million to \$1.5 million.

Present law (R.S. 47:297(A)) provides for a tax credit 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.

Present law allows a tax credit equal to \$72.

Proposed law reduces the amount of the credit from \$72 to \$50.

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.

Present law allows a tax credit equal to the lesser of \$18 or 7.2% of the same credit allowed on the federal income tax return for the same tax year.

Proposed law reduces the amount of the credit from the lesser of \$18 or 7.2% of the credit allowed on the federal return to the lesser of \$12.50 or 5% of the credit allowed on the federal return.

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

Present law allows a tax credit equal to 72% of the state gasoline, motor fuels, and special fuels taxes paid.

Proposed law reduces the amount of the credit from 72% of the amount of the gasoline, motor fuels, and special fuels taxes to 50%.

Present law (R.S. 47:297(D)) provides an income tax credit for an individual taxpayer for educational expenses for each child of the taxpayer.

Present law allows a tax credit equal to \$18 per child.

Proposed law reduces the amount of the credit from \$18 to \$12.50.

Present law (R.S. 47:297(F)) provides an income tax credit for individuals for contributions made to a family responsibility program under the provisions of present law.

Present law allows a tax credit equal to 24% of the amount contributed. Further limits the credit to \$144 per year.

Proposed law reduces the amount of the credit from 33.3% to 24% of the contribution and reduces the maximum credit from \$144 to \$100.

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.

Present law allows a tax credit equal to 14.4% of the purchase price of the equipment, or if the equipment is financed, 14.4% of the original purchase price paid in that tax year.

Proposed law reduces the amounts of the credit from 14.4% of the purchase price to 10%.

Present law (R.S. 47:297(H)) provides for an income tax credit for certain medical doctors and dentists who practice in designated rural areas.

Present law allows a tax credit equal to \$3,600 per taxable year up to a maximum of five years for each taxpayer meeting the criteria.

Proposed law reduces the amount of the credit from \$3,600 to \$2,500 per taxable year.

Present law (R.S. 47:297(J)) provides an income tax credit for individual taxpayers for certain educational expenses associated with attending college.

Present law allows a tax credit equal to the least of the tax due, or 72% of the educational expenses, or \$540.

Proposed law reduces the amount of the credit from the least of the tax due, 72% of the education expenses, or \$540 to the least of the tax due, 50% of the education expenses, or \$375.

Present law (R.S. 47:297(K)) provides an income tax credit for individual taxpayers who provide full-time employment for certain individuals convicted of a first-time drug offense.

Present law allows a tax credit equal to \$144 per new taxable year per eligible employee.

Proposed law reduces the amount of the credit from \$144 to \$100.

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.

Present law allows a tax credit equal to the lesser of 72% of the full purchase price including applicable taxes paid by the taxpayer, or \$72.

Proposed law reduces the amount of the credit from the lesser of 72% the full purchase price including applicable taxes or \$72 to 50% of the full purchase price including applicable taxes, or \$50.

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.

Present law allows a tax credit equal to 7% of the total amount of premiums paid annually.

Proposed law reduces the amount of the credit from 7% of the total amount of premiums to 5%.

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.

Present law allows a tax credit not to exceed \$7,200.

Proposed law reduces the maximum amount of the credit from \$7,200 to \$5,000.

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.

Present law allows a tax credit equal to the lesser of \$720 or 72% of the total tax liability of the taxpayer.

Proposed law reduces the amount of the credit from the lesser of \$720 or 72% of the total tax liability of the taxpayer to \$500 or 50% of the total tax liability of the taxpayer.

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.

Present law allows a tax credit equal to 18.5% of the eligible costs and expenses of a rehabilitation. The maximum credit allowed is \$18,500. Present law further authorizes a credit of 36% 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 \$7.2 million.

Proposed law reduces the credit amount from 18.5% to 12.5% of eligible costs and expenses and reduces the credit amount from 36% to 25% of eligible costs and expenses for the rehabilitation of the qualified vacant and blighted residential structures. Further reduces the maximum credit allowed from \$18,500 to \$12,500 and reduces the program cap from \$7.2 million to \$5 million.

Present law (R.S. 47:297.9) provides for an individual income tax credit for the amount paid by an active or reserve military service member for a La. noncommercial hunting or fishing license.

Present law allows a tax credit equal to 72% of the amount of the license.

Proposed law reduces the amount of the credit from 72% of the amount of the license to 50%.

Present law (R.S. 47:6004) provides for an income and corporation franchise tax credit for the employment of each person and participant of Family Independence Work Program in a newly created full-time job. The tax credit is allowed for the taxable period during which the new employee has completed one year of full-time service with the taxpayer or against the corporation franchise tax for the taxable period following the taxable period during which the new employee has completed one year of full-time service with the taxpayer.

Present law allows a tax credit equal to \$540 per new employee.

Proposed law reduces the amount of the credit from \$540 to \$375.

Present law (R.S. 47:6005) provides an income tax or corporation franchise tax credit for taxpayers who purchase qualified new recycling manufacturing or process equipment or qualified service contracts to be used or performed exclusively in the state.

Present law allows a tax credit equal to 14.4% of the cost of the equipment or service contract less the amount of any other tax credit received for the purchase of the equipment or contract. Further provides an annual program cap of \$3.6 million.

Proposed law reduces the amount of the credit from 14.4% to 10% and reduces the annual program cap from \$3.6 million to \$2.5 million.

Present law (R.S. 47:6008) provides for an income or corporation franchise tax credit for qualified donations made to qualified playgrounds.

Present law allows a tax credit equal to the lesser of \$720 or 36% of the value of the cash, equipment, goods, or services donated.

Proposed law reduces the amount of the credit from the lesser of \$720 or 36% of the value of the cash, equipment, goods, or services donated to the lesser of \$500 or 25% 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.

Present law allows a tax credit of \$180 per participating employee, with the total of all basic skills training credits not to exceed \$21,600 for any single business or industry enterprise in a particular tax year.

Proposed law reduces the amount of the credit from \$180 per participating employee to \$125 and reduces the total maximum amount of all basic skills training credits from \$21,600 to \$15,000 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.

Present law allows a tax credit equal to 36% of the value of the donated materials, equipment, or services rendered by the instructor.

Proposed law reduces the amount of the credit from 36% of the value of the donated materials, equipment, or services rendered by the instructor to 25%.

Present law (R.S. 47:6013) provides for a corporate income and corporation franchise tax credit for qualified donations made to a public school.

Present law allows a tax credit equal to 28.8% of the appraised value of the qualified donation.

Proposed law reduces the amount of the credit from 28.8% of the appraised value of the qualified donation to 20%.

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.

Present law allows a tax credit equal to 72% of the amount of the filing fee paid.

Proposed law reduces the amount of the credit from 72% of the amount of the filing fee to 50%.

Present law (R.S. 47:6018) provides for an income or corporation franchise tax credit for purchasing specialty apparel items from a contractor in a certified Private Sector/Prison Industry Enhancement Program that employs inmates of a La. correctional institution that manufacturers the apparel.

Present law allows a tax credit equal to 72% of the sales and use tax paid for the eligible specialty apparel items.

Proposed law reduces the amount of the credit from 72% of the sales and use tax to 50%.

Present law (R.S. 47:6023) provides for an income or franchise tax credit for La. taxpayers for investment in state-certified productions for sound recordings earned at the time expenditures are made on a state-certified production.

Present law allows a tax credit equal to 18% of the base investment made by the investor in excess of \$15,000, or in excess of \$5,000 for investors who are La. residents, for state-certified productions submitted to the office on or after July 1, 2015. Additionally provides an annual program cap of \$2.16 million.

Proposed law reduces the amount of the credit from 18% of the base investment to 12.5% of the base investment and reduces the annual program cap from \$2.16 million to \$1.5 million for state-certified productions that are certified on or after July 1, 2016.

Present law (R.S. 47:6026) provides for an income or corporation franchise tax credit for certain heritage-based cottage industries located or to be located in the Cane River Heritage Area Development Zone.

Present law allows a tax credit equal to an amount up to \$1,080 per contract award and an additional \$1,080 credit for each new employee hired during the taxable year for which the credit is claimed.

Proposed law reduces the amount of the credit from \$1,080 per contract award to \$750 and reduces the amount of the credit for each new employee hired from \$1,080 to \$750.

Present law (R.S. 47:6032) provides for a refundable income and corporation franchise tax credit for a resident taxpayer engaged in the business of producing milk for sale. The amount of the credit is based on the production and sale of milk below the announced production price over a calendar year in accordance with a schedule provided in present law.

Present law caps the total aggregate amount of credits for all producers at \$1.8 million per calendar year and limits the credit allowed for each producer at varying amounts.

Proposed law reduces the total aggregate amount of credits for all producers from \$1.8 million per calendar year to \$1.25 million per calendar year. Further reduces the credits allowed for each producer as follows:

- (1) From \$3,600 to \$2,500 tax credit for up to 1 million pounds of milk produced.
- (2) From \$7,200 to \$5,000 tax credit for 1,000,001 to 1.5 million pounds of milk produced.
- (3) From \$10,800 to \$7,500 tax credit for 1,500,001 to 2 million pounds of milk produced.
- (4) From \$14,400 to \$10,000 tax credit for 2,000,001 to 2.5 million pounds of milk produced.
- (5) From \$18,000 to \$12,500 tax credit for 2,500,001 to 3 million pounds of milk produced.
- (6) From \$21,600 to \$15,000 tax credit for greater than 3 million pounds of milk produced.

Present law (R.S. 47:6034) provides for an individual or corporate income tax credit for qualified production expenditures on investments in a state-certified musical or theatrical production or infrastructure project.

Present law allows a base investment credit for state-certified higher education musical or theatrical infrastructure projects that received initial certification prior to January 1, 2018, for expenditures made in the state on or before January 1, 2022 for the construction, repair, or renovation of a new state-certified higher education musical or theatrical facility infrastructure project. No more than \$7.2 million in tax credits are allowed per project and no more than \$43.2 million are allowed for all state-certified higher education musical or theatrical infrastructure projects. The credit for an investor was granted in varying amounts.

Proposed law reduces the per project cap from \$7.2 million to \$5 million and the program cap from \$43.2 million to \$30 million for projects that receive an initial certification on or after July 1, 2016, and on or before Jan. 1, 2018 . Further reduces the credit amount for investors as follows:

- (1) From 7.2% to 5% of the investor's base investment if the total base investment is greater than \$100,000 and less than or equal to \$300,000.
- (2) From 14.4% to 10% of the investor's base investment if the total base investment is greater than \$300,000 and less than or equal to \$1 million.
- (3) From 18% to 12.5% of the investor's base investment if the total base investment is greater than \$1 million.

Present law allows an additional tax credit of 0.72% of the amount expended to employ students enrolled in La. colleges, universities, and vocational-technical schools in a state certified musical or theatrical production in certain positions.

Proposed law reduces the additional tax credit from 0.72% to 0.5% of the amount expended to employ students enrolled in La. colleges, universities, and vocational-technical schools.

Present law allows an additional tax credit of 7.2% of the amount expended on payroll for La. residents employed in connection with a state-certified musical or theatrical production.

Proposed law reduces the additional tax credit from 7.2% to 5% of the amount expended on La. payroll.

Present law (R.S. 47:6035) provides for an income tax credit for qualified clean-burning motor vehicle fuel property purchased and installed on certain motor vehicles. The tax credit is based on the cost of the qualified clean-burning motor vehicle fuel property or the cost of the motor vehicle. A taxpayer is authorized to claim only one of the tax credits per vehicle.

Present law allows a tax credit equal to 36% of the cost of the qualified clean-burning motor vehicle fuel property. Further allows a tax credit equal to the lesser of 7.2% of the cost of the motor vehicle or \$1,500 when the qualified clean-burning motor vehicle fuel property was installed by the manufacturer and the cost of the property is not discernible from the cost of the vehicle.

Proposed law reduces the amount of the credit based on the cost of the qualified clean-burning motor vehicle fuel property from 36% to 25% of the cost and reduces the amount of the credit based on the cost of the motor vehicle from the lesser of 7.2% of the cost of the motor vehicle or \$1,500 to 5% of the cost of the motor vehicle or \$1,500.

Present law (R.S. 47:6036) provides for an income and corporate franchise tax credit for the total capital costs of a project sponsored or undertaken by a public port and investing companies that have a capital cost of at least \$5 million dollars and at which the predominant trade or business activity conducted will constitute industrial, warehousing, or port and harbor operations and cargo handling, including any port or port and harbor activity.

Present law allows an investor tax credit equal to the total amount of capital costs of the project. Further provides a per project cap of \$1.8 million and an annual program cap of \$4.5 million.

Proposed law reduces the amount of the investor tax credit from 72% of the total amount of capital costs of the project to 50% of the amount of capital costs of the project. Further reduces the per project cap from \$1.8 million to \$1.25 million and the annual program cap from \$4.5 million to \$3.1 million.

Present law allows an import-export cargo tax credit equal to the product of multiplying \$3.60 by the taxpayer's number of tons of qualified cargo for the taxable year that exceeds the precertification tonnage. Further provides an annual program cap of \$4.5 million.

Proposed law reduces the amount of the import-export cargo tax credit from \$3.60 multiplied by the taxpayer's number of tons of qualified cargo to \$2.50 multiplied by the taxpayer's number of tons of qualified cargo and reduced the annual program cap from \$4.5 million to \$3.1 million.

Present law (R.S. 47:6037) provides an individual income or corporate income tax credit for approved expenditures in the state for the construction, repair, or renovation of a state-certified green project.

Present law provides a \$720,000 per project cap and a \$3.6 million annual program cap. The amount of the credit allowed varied.

Proposed law reduces the per project cap from \$720,000 to \$500,000 and reduces the annual program cap from \$3.6 million to \$2.5 million. Further reduces the amount of the credit as follows:

- (1) From 7.2% to 5% of the investor's base investment if the total base investment is greater than \$100,000 and less than or equal to \$300,000.
- (2) From 14.4% to 10% of the investor's base investment if the total base investment is greater than \$300,000 and less than or equal to \$1 million.
- (3) From 18% to 12.5% of the investor's base investment if the total base investment is greater than \$1million.

Present law provides an additional tax credit of 7.2% of the base investment expended on payroll for La. residents employed in connection with the construction of a state-certified green project. The additional 7.2% tax credit for payroll for La. residents does not apply to that amount in excess of \$1 million in payroll made to a single La. resident. Further allows an additional 0.72% of the base investment expended on payroll for La. residents who are graduates of certain La. programs.

Proposed law further reduces the additional credit for payroll of La. residents from 7.2% to 5% and reduces the additional credit for payroll for La. residents who are graduates from certain La. programs from 0.72% to 0.50%.

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

Present law allows a tax credit equal to \$3,600 per net new employee.

Proposed law reduces the amount of the credit from \$3,600 per net new employee to \$2,500.

Present law (R.S. 51:2354) provides an income and corporation franchise tax credit for investments by the taxpayer in commercialization costs for certain business locations.

Present law allows a tax credit equal to 28.8% of the amount of money invested. Further provides a credit for qualified new direct jobs equal to 4.32% multiplied by the gross payroll of the qualified new direct jobs.

Proposed law allows the tax credit in present law for applications that receive approval prior to July 1, 2016.

Proposed law reduces the credit for commercialization costs for applications that receive approval on and after July 1, 2016 from 28.8% of the amount invested to 20% of the amount invested and reduces the amount of the credit for qualified new direct jobs from 4.32% to 3% multiplied by the gross payroll of the qualified new direct jobs.

Present law (R.S. 51:2399.3) provides for an income or corporation franchise tax credit for amounts of qualified expenditures incurred by an employer for modernization.

Present law allows a tax credit equal to 3.6% of the amount of qualified expenditures. Further provided an annual program cap of \$7.2 million.

Proposed law allows the tax credit in present law for applications that receive approval prior to July 1, 2016.

Proposed law reduces the amount of the credit for credits approved prior on or after July 1, 2016 from 3.6% to 2.5% and reduces the annual program cap from \$7.2 million to \$5 million.

Present law (R.S. 51:3085) provides for an income tax credit for qualifying individuals and businesses that invest in a Louisiana Community Development Financial Institution.

Present law allows a tax credit equal to 54% of the person's investment.

Proposed law reduces the amount of the tax credit from 54% to 37.5% of the person's investment.

Proposed law repeals termination of the reductions in present law, making them permanent.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 25:1226.4(C)(1) and (2), R.S. 47:34(B)(1), 35(C), 37(C), 227, 265, 287.664, 287.748(B)(1), 287.749(B)(1), 287.752(B)(1), 287.753(C), 287.755(C), 287.758(B), 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), (L)(3)(intro. para.), (M)(1), (N)(1)(intro. para.) and (2), and (P)(2), 297.6(A)(1) and (5), 297.9(A), 6004(A)(2)(intro. para.), 6005(C)(1) and (D)(1), 6008(A), 6009(D)(1), 6012(B), 6013(A), 6017(A), 6018(C), 6023(C)(1) and (3)(intro. para.), 6025(A)(1), 6026(D)(2) and (3), 6032(C) and (F), 6034(C)(1)(a)(iii)(bb)(intro. para.), (c)(ii), and (d)(ii), 6035(C)(1) and (D), 6036(C)(1)(b) and (I)(2)(a)(i), and 6037(B)(1) and (2)(b), (c), and (d) and R.S. 51:1807(C), 2354(A) and (B)(intro. para.), 2399.3(A)(2)(a) and (b), and 3085(B)(1)(a); Adds R.S. 47:6023(C)(1)(c) and 6034(C)(1)(a)(iii)(cc), (c)(iii) and (iv), and (d)(iii) and (iv) and R.S. 51:2354(C) and 2399.3(A)(2)(c))