
DIGEST

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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 manufactures 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))