

2017 Regular Session

HOUSE BILL NO. 300

BY REPRESENTATIVE DAVIS AND SENATOR MORRELL

TAX CREDITS: Provides relative to the amount of the research and development tax credit and authorizes transferability of the credit under certain circumstances

1 AN ACT

2 To amend and reenact R.S. 47:6015(C)(2), (D), and (J) relative to the research and
3 development tax credit program; to provide for credit rates; to provide for
4 transferability of credits; to provide for application; and to provide for related
5 matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:6015(C)(2), (D), and (J) are hereby amended and reenacted to
8 read as follows:

9 §6015. Research and development tax credit

10 * * *

11 C.

12 * * *

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

15 (a) ~~Eight~~ Five percent of the difference, if any, of the Louisiana qualified
16 research expenses for the taxable year minus the base amount, if the taxpayer is an
17 entity that employs ~~one hundred~~ fifty or more persons.

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

Number of Employees	Tax Credit
100 or more	8%
50-99	20%
fewer than 50	40%

Proposed law authorizes the following credits:

Number of Employees	Tax Credit
50 or more	5%
fewer than 50	30%

Present law allows a taxpayer receiving a federal Small Business Innovation Research Grant a tax credit in an amount equal to 40% of the award received during the tax year. Proposed law reduces the tax credit from 40% to 30% of the award received during the tax year.

Proposed law authorizes credits based upon participation in the Small Business Innovation Research Grant program to be transferred or sold to one or more La. taxpayers. To utilize the transferred tax credit, proposed law requires transferors and transferees to submit to the Dept. of Revenue written notification of any transfer or sale of this tax credit within 10 business days after the transfer or sale. Proposed law specifies the information to be included in the notification. Proposed law further requires that a sale or transfer of this tax credit shall not be effective until recorded in the tax credit registry in accordance with present law. Proposed law allows the credit to carry forward beginning on the date on which the credit was earned, regardless of when the credit was transferred or sold.

Present law provides that no credit shall be allowed for research expenditures incurred or Small Business Innovation Research Grant funds received after Dec. 31, 2019. Proposed law extends the credit availability to research expenditures incurred on or before Dec. 31, 2021.

Proposed law shall apply to tax years beginning on or after Jan. 1, 2017.

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

(Amends R.S. 47:6015(C)(2), (D), and (J))