

2017 Regular Session

SENATE BILL NO. 181

BY SENATOR MORRELL

TAX/TAXATION. Terminates certain tax credit programs. (gov sig)

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AN ACT

To amend and reenact R.S. 47:37(C), 265, 287.664, 287.755(C), 287.758(B), 6004(A)(1) and (C), 6005(C)(1), (D)(1), and (G), 6006(A), 6006.1(A), 6008(A), 6009(D)(1), 6012(B), 6013(A), 6014(A), 6017(A), 6019(A)(1)(a), 6023(I), 6034(K), and 6035(H), to enact R.S. 47:6018(G), 6020(G), 6025(A)(4), 6030(A)(3), R.S. 51:2353(E), 2399.4(C)(3), and 3085(B)(5), and to repeal R.S. 47:12, 35, 287.759, 301(10)(a)(vi), 4331, and 6021, and Chapter 26 of Title 51 of the Louisiana Revised Statutes of 1950 comprised of R.S. 51:1921 through 1935, relative to tax credits and exemptions; to provide for termination dates for certain tax credits; to change credit rates; to add an annual credit cap; to add additional requirements for eligibility to earn credits; to repeal expired tax credits and exemptions; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:37(C), 265, 287.664, 287.755(C), 287.758(B), 6004(A)(1) and (C), 6005(C)(1), (D)(1), and (G), 6006(A), 6006.1(A), 6008(A), 6009(D)(1), 6012(B), 6013(A), 6014(A), 6017(A), 6019(A)(1)(a), 6023(I), 6034(K), and 6035(H) are hereby amended and reenacted and R.S. 47:6018(G), 6020(G), 6025(A)(4) and 6030(A)(3) are

1 hereby enacted to read as follows:

2 §37. Tax credit for contributions to educational institutions

3 \* \* \*

4 C. ~~There~~ **For donations, contributions, or sales below cost made before**

5 **July 1, 2017, there** shall be allowed a credit against the tax liability due under the  
6 income tax for donations, contributions, or sales below cost of tangible movable  
7 property made to educational institutions in the state of Louisiana. The credit  
8 allowed by this Section shall be computed at the rate of twenty-nine percent of such  
9 property's value, as defined herein, or, in the case of a sale below cost, twenty-nine  
10 percent of the difference between the price received for the tangible movable  
11 property by the taxpayer and the value of the property as defined herein. The credit  
12 shall be limited to the total of the tax liability for the taxable year for which it is  
13 being claimed and shall be in lieu of the deductions from gross income provided for  
14 in R.S. 47:57. The credit shall not be allowed if the taxpayer arbitrarily, capriciously,  
15 or unreasonably discriminates against any person because of race, religion, ideas,  
16 beliefs, or affiliations.

17 \* \* \*

18 §265. Credits arising from refunds by utilities

19 ~~Whenever~~ **For refunds paid before July 1, 2017, whenever** a utility refunds  
20 to its customers, pursuant to an order of a court or regulatory agency as a result of  
21 the denial of a proposed rate increase, an amount or amounts which, if taken as a  
22 deduction from gross income in the year paid or accrued, would result in a net loss,  
23 then in lieu of such deduction the utility may elect to take a credit against its  
24 Louisiana income tax in the amount of seventy-two percent of the income tax  
25 increase which was the sole result of the inclusion of the amount or amounts  
26 refunded in gross income in the year or years received irrespective of whether or not  
27 the period of limitation provided in R.S. 47:1623 has expired for the year in which  
28 the amount refunded was included in gross income. If this credit exceeds the income  
29 tax that would be due the ~~State~~ **state** of Louisiana in the year of the refund, computed

1 without the credit, then the excess of this credit may be carried over the following  
2 two taxable years.

3 \* \* \*

4 §287.664. Credits arising from refunds by utilities

5 ~~Whenever~~ **For refunds paid before July 1, 2017, whenever** a utility refunds  
6 to its customers, pursuant to an order of a court or regulatory agency as a result of  
7 the denial of a proposed rate increase, an amount or amounts which, if taken as a  
8 deduction from gross income in the year paid or accrued, would result in a net loss,  
9 then in lieu of such deduction the utility may elect to take a credit against its  
10 Louisiana income tax in the amount of seventy-two percent of the income tax  
11 increase which was the sole result of the inclusion of the amount or amounts  
12 refunded in gross income in the year or years received irrespective of whether or not  
13 the period of limitation provided in R.S. 47:1623 has expired for the year in which  
14 the amount refunded was included in gross income. If this credit exceeds the income  
15 tax that would be due the state of Louisiana in the year of the refund, computed  
16 without the credit, then the excess of this credit may be carried over the following  
17 two taxable years.

18 \* \* \*

19 §287.755. Tax credit for contributions to educational institutions

20 \* \* \*

21 C. ~~There~~ **For donations, contributions, or sales below cost made before**  
22 **July 1, 2017, there** shall be allowed a credit against the tax liability due under the  
23 income tax for donations, contributions, or sales below cost of tangible movable  
24 property made to educational institutions in the state of Louisiana. The credit  
25 allowed by this Section shall be computed at the rate of twenty-nine percent of such  
26 property's value, as defined herein, or, in the case of a sale below cost, twenty-nine  
27 percent of the difference between the price received for the tangible movable  
28 property by the taxpayer and the value of the property as defined herein. The credit  
29 shall be limited to the total of the tax liability for the taxable year for which it is

1 being claimed and shall be in lieu of the deductions from gross income provided for  
2 in R.S. 47:57. The credit shall not be allowed if the taxpayer arbitrarily, capriciously,  
3 or unreasonably discriminates against any person because of race, religion, ideas,  
4 beliefs, or affiliations.

5 \* \* \*

6 §287.758. Tax credit for bone marrow donor expense

7 \* \* \*

8 B. A credit against the taxes otherwise due under this Part for the tax year is  
9 allowed to an employer. The amount of the credit is equal to eighteen percent of the  
10 bone marrow donor expense paid or incurred during the tax year by an employer to  
11 provide a program for employees who are potential or who actually become bone  
12 marrow donors, **for expenses incurred on or before July 1, 2017.**

13 \* \* \*

14 §6004. Employer credit

15 A.(1) It is the intention of this Section to encourage the employment of  
16 previously unemployed Louisiana residents and recipients of Family Independence  
17 Temporary Assistance Program (FITAP) payments participating in Family  
18 Independence Work Program, the Louisiana FIND Work Program by providing an  
19 incentive to potential employers in the form of a credit against the state income and  
20 corporation franchise tax for the employment of each person and participant of  
21 Family Independence Work Program in a newly created full-time job. Therefore, a  
22 credit against the state income tax and corporation franchise tax is hereby granted for  
23 each new full-time job created **before July 1, 2017,** by an employer after the  
24 employer has created a number of new full-time jobs which are in excess of five  
25 percent of the base as defined herein, which job employs a previously unemployed  
26 person. The "base" shall be the average full-time number of jobs reported by the  
27 employer to the administrator of the Louisiana Employment Security Law for the  
28 previous taxable period.

29 \* \* \*

1                   C. ~~Commencing no later than January 31, 2016, the House Committee on~~  
2                   ~~Ways and Means and the Senate Committee on Revenue and Fiscal Affairs shall~~  
3                   ~~review the credit authorized pursuant to the provisions of this Section to determine~~  
4                   ~~if the economic benefit provided by such credit outweighs the loss of revenue~~  
5                   ~~realized by the state as a result of awarding such credit. The House and Senate~~  
6                   ~~committees shall make a specific recommendation no later than March 1, 2017, to~~  
7                   ~~either continue the credit or to terminate the credit~~ **No credits shall be earned**  
8                   **pursuant to this Section for employees hired after June 30, 2017.**

9                   §6005. Qualified new recycling manufacturing or process equipment and/or service  
10                   contracts

11                                           \*       \*       \*

12                   C.(1) A taxpayer who purchases qualified new recycling manufacturing or  
13                   process equipment or qualified service contracts, or both, as defined in this Section  
14                   and certified by the secretary of the Department of Environmental Quality to be used  
15                   or performed exclusively in this state **before July 1, 2017**, shall be entitled to a  
16                   credit against any income and corporation franchise taxes imposed by the state in an  
17                   amount equal to fourteen and four-tenths of one percent of the cost of the new  
18                   recycling manufacturing or process equipment or qualified service contract, or both,  
19                   less the amount of any other tax credits received for the purchase of such equipment  
20                   or contract, or both.

21                                           \*       \*       \*

22                   D.(1) The amount of the credit claimed in the taxable period for which  
23                   certification of equipment is received, and the amount of credit claimed therefor in  
24                   each taxable period thereafter, shall not exceed twenty percent of the amount of the  
25                   total credit allowable. In no case shall the credit claimed exceed fifty percent of the  
26                   tax liability ~~which~~ **that** would be otherwise due for that taxable period. Any unused  
27                   credit for a taxable year in which a credit is allowed may be carried forward to  
28                   subsequent years until the credit is exhausted. Total credits certified by the secretary  
29                   of the Department of Environmental Quality in any calendar year shall not exceed

1 three million six hundred thousand dollars.

2 \* \* \*

3 G. ~~Commencing no later than January 31, 2016, the House Committee on~~  
4 ~~Ways and Means and the Senate Committee on Revenue and Fiscal Affairs shall~~  
5 ~~review the credit authorized pursuant to the provisions of this Section to determine~~  
6 ~~if the economic benefit provided by such credit outweighs the loss of revenue~~  
7 ~~realized by the state as a result of awarding such credit. The House and Senate~~  
8 ~~committees shall make a specific recommendation no later than March 1, 2017, to~~  
9 ~~either continue the credit or to terminate the credit~~ **After June 30, 2017, no credits**  
10 **shall be earned or granted pursuant to this Section for purchases of recycling**  
11 **manufacturing or process equipment, or for expenditures made under existing**  
12 **service contracts, or for new contracts or contract renewals entered into after**  
13 **June 30, 2017.**

14 \* \* \*

15 §6006. Tax credits for local inventory taxes paid

16 A.(1)(a) ~~There~~ **For ad valorem taxes paid before January 1, 2017, there**  
17 shall be allowed a credit against any Louisiana income or corporation franchise tax  
18 for ad valorem taxes paid to political subdivisions on inventory held by  
19 manufacturers, distributors, and retailers.

20 **(b) For ad valorem taxes paid on or after January 1, 2017, there shall be**  
21 **allowed a credit against any Louisiana income or corporation franchise tax for**  
22 **seventy-five percent of the ad valorem taxes paid to political subdivisions on**  
23 **inventory held by manufacturers, distributors, and retailers.**

24 (2)(a) ~~There~~ **For ad valorem taxes paid before January 1, 2017, there** shall  
25 be allowed a credit against any Louisiana income or corporation franchise tax for ad  
26 valorem taxes paid to political subdivisions on natural gas held, used, or consumed  
27 in providing natural gas storage services or operating natural gas storage facilities.

28 **(b) For ad valorem taxes paid on or after January 1, 2017, there shall be**  
29 **allowed a credit against any Louisiana income or corporation franchise tax for**

1 seventy-five percent of the ad valorem taxes paid to political subdivisions on  
2 natural gas held, used, or consumed in providing natural gas storage services  
3 or operating natural gas storage facilities.

4 §6006.1. Tax credits for taxes paid with respect to vessels in Outer Continental  
5 Shelf Lands Act Waters

6 A. ~~(1) There~~ For ad valorem taxes paid before January 1, 2017, there shall  
7 be allowed a credit against any Louisiana income or corporation franchise tax for ad  
8 valorem taxes paid without protest to political subdivisions on vessels in Outer  
9 Continental Shelf Lands Act Waters as certified to the assessor pursuant to R.S.  
10 47:1956(B) within the calendar year immediately preceding the taxable year of  
11 assessment of such vessel.

12 (2) For ad valorem taxes paid on or after January 1, 2017, there shall be  
13 allowed a credit against any Louisiana income or corporation franchise tax for  
14 seventy-five percent of the ad valorem taxes paid without protest to political  
15 subdivisions on vessels in Outer Continental Shelf Lands Act Waters as certified  
16 to the assessor pursuant to R.S. 47:1956(B) within the calendar year  
17 immediately preceding the taxable year of assessment of such vessel.

18 (3) For purposes of this Section, ad valorem taxes shall be deemed to be paid  
19 to political subdivisions when they are paid without protest either in money or by  
20 applying credits established pursuant to R.S. 47:2108.1.

21 \* \* \*

22 §6008. Tax credits for donations made to assist playgrounds in economically  
23 depressed areas

24 A. ~~There~~ For qualified donations made before July 1, 2017, there shall be  
25 allowed a credit against any Louisiana income or corporation franchise tax for  
26 qualified donations made to qualified playgrounds. The credit shall be an amount  
27 equal to the lesser of seven hundred twenty dollars or thirty-six one hundredths of  
28 the value of the cash, equipment, goods, or services donated. Any such credit shall  
29 be taken as a credit against the applicable tax or taxes only in the taxable period in

1           which the donation is made. The total amount of the credits taken by any taxpayer  
2           during any taxable year shall not exceed one thousand dollars.

3                                           \*       \*       \*

4           §6009. Louisiana Basic Skills Training Tax Credit

5                                           \*       \*       \*

6                       D. Tax credits. (1) Any Louisiana business or industry which satisfies the  
7                       criteria provided for herein **before July 1, 2017**, shall, with submission of proper and  
8                       complete applications, receive a one hundred eighty dollar tax credit per  
9                       participating employee, with the total of all such basic skills training tax credits not  
10                      to exceed twenty-one thousand six hundred dollars for any such single business or  
11                      industry enterprise in a particular tax year. This tax credit may be applied to any state  
12                      income tax liability or any state corporation franchise tax liability and, if the entire  
13                      credit cannot be used in the year earned, the remainder may be applied against  
14                      income tax or corporation franchise tax liabilities for the succeeding two tax years,  
15                      or until the entire credit is used, whichever occurs first.

16                                           \*       \*       \*

17           §6012. Employer tax credits for donations of materials, equipment, advisors, or  
18                                           instructors

19                                           \*       \*       \*

20                      B. ~~There~~ **For donations made before July 1, 2017, there** shall be a credit  
21                      against any Louisiana income or corporation franchise tax for the donation of the  
22                      latest technology available in materials, equipment, or instructors made to public  
23                      training providers, secondary and postsecondary vocational-technical schools,  
24                      apprenticeship program registered with the Louisiana Workforce Commission, or  
25                      community colleges within the state. The credit shall be an amount equal to thirty-six  
26                      one hundredths of the value of the donated materials, equipment, or services  
27                      rendered by the instructor. Any such credit shall be taken as a credit against the  
28                      applicable tax or taxes in the taxable period in which the donation was made. This  
29                      tax credit, when combined with all other applicable tax credits, shall not exceed



1 twenty percent of the employer's tax liability for any taxable year.

2 \* \* \*

3 §6013. Tax credits for donations made to public schools

4 A. ~~There~~ **For donations made before July 1, 2017, there** shall be allowed  
5 a credit against the corporate income tax and the corporation franchise tax for  
6 qualified donations made to a public school. The credit shall be an amount equal to  
7 twenty-eight and eight tenths percent of the appraised value of the qualified  
8 donation. Any such credit shall be taken as a credit against the corporate income or  
9 corporation franchise tax for the taxable year in which the donation is made. The  
10 total of all such credits taken in a taxable year shall not exceed the total tax liability  
11 for that taxable year.

12 \* \* \*

13 §6014. Credit for property taxes paid by certain telephone companies; fund

14 A.**(1)** Pursuant to the provisions of this Section, there shall be allowed a  
15 credit against Louisiana corporation or individual income taxes and Louisiana  
16 corporation franchise tax for, and in an amount equal to, forty percent of the  
17 aggregate ad valorem taxes paid to political subdivisions of this state after  
18 December 31, 2000, **and before January 1, 2017,** by a telephone company, as  
19 defined in R.S. 47:1851(Q), with respect to such telephone company's public service  
20 properties, as defined in R.S. 47:1851(M), which are assessed by the Louisiana Tax  
21 Commission at twenty-five percent of fair market value pursuant to R.S. 47:1854.

22 **(2) For ad valorem taxes paid on or after January 1, 2017, the credit**  
23 **provided by this Section shall be equal to thirty percent of the aggregate ad**  
24 **valorem taxes paid to political subdivisions of this state by a telephone**  
25 **company, as defined in R.S. 47:1851(Q), with respect to such telephone**  
26 **company's public service properties, as defined in R.S. 47:1851(M), which are**  
27 **assessed by the Louisiana Tax Commission at twenty-five percent of fair market**  
28 **value pursuant to R.S. 47:1854.**

29 \* \* \*

1 §6017. Tax credits for certain expenses paid by economic development corporations

2 A. **For filing fees paid before July 1, 2017, there** shall be allowed a credit  
3 against any Louisiana income or corporation franchise taxes for the filing fee paid  
4 to the Louisiana State Bond Commission that is incurred by an economic  
5 development corporation in the preparation and issuance of bonds, as provided for  
6 in Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950. The credit shall  
7 be an amount equal to seventy-two percent of the amount of the filing fee paid to the  
8 Louisiana State Bond Commission that is incurred by the corporation in the  
9 preparation and issuance of the bonds.

10 \* \* \*

11 §6018. Tax credits for purchasers from "PIE contractors"

12 \* \* \*

13 **G. No credit shall be authorized pursuant to this Section for purchases**  
14 **made on or after July 1, 2017.**

15 \* \* \*

16 §6019. Tax credit; rehabilitation of historic structures

17 A.(1)(a) There shall be a credit against income and corporation franchise tax  
18 for the amount of eligible costs and expenses incurred during the rehabilitation of a  
19 historic structure located in a downtown development or a cultural district.

20 **(i)** The amount of the credit shall equal twenty-five percent of the eligible  
21 costs and expenses of the rehabilitation incurred prior to January 1, 2018, regardless  
22 of the year in which the property is placed in service.

23 **(ii)** The amount of the credit shall equal twenty percent of the eligible costs  
24 and expenses of the rehabilitation incurred on or after January 1, 2018, regardless of  
25 the year in which the property is placed in service.

26 **(iii) For property placed in service on or after January 1, 2017, the**  
27 **Department of Revenue shall not grant final approval on more than sixty-five**  
28 **million dollars of credit pursuant to this Section.**

29 \* \* \*

1 §6020. Angel Investor Tax Credit Program

2 \* \* \*

3 **G. No credits shall be granted pursuant to this Section for applications**  
4 **received on or after July 1, 2017.**

5 \* \* \*

6 §6023. Sound recording investor tax credit

7 \* \* \*

8 I. ~~Commencing no later than January 31, 2016, the House Committee on~~  
9 ~~Ways and Means and the Senate Committee on Revenue and Fiscal Affairs shall~~  
10 ~~review the credit authorized pursuant to the provisions of this Section to determine~~  
11 ~~if the economic benefit provided by such credit outweigh the loss of revenue realized~~  
12 ~~by the state as a result of awarding such credit. The House and Senate committees~~  
13 ~~shall make a specific recommendation no later than March 1, 2017, to either continue~~  
14 ~~the credit or to terminate the credit~~ **No credits shall be granted pursuant to this**  
15 **Section for application for initial certification received on or after July 1, 2017.**

16 \* \* \*

17 §6025. Tax credit for Louisiana Citizens Property Insurance Corporation assessment

18 A.(1) There shall be allowed a credit against Louisiana income tax due in a  
19 taxable year for twenty-five percent of the amount of surcharges, market equalization  
20 charges, or assessments paid by a taxpayer during the taxable year as a result of the  
21 2005 regular assessment or the emergency assessments levied due to Hurricanes  
22 Katrina and Rita by Louisiana Citizens Property Insurance Corporation for the FAIR  
23 Plan and Coastal Plan, as they are defined in R.S. 22:2292.

24 \* \* \*

25 **(4) There shall be no credit authorized pursuant to this Section for**  
26 **assessments paid on or after July 1, 2017.**

27 \* \* \*

28 §6030. Solar energy systems tax credit

29 A. \* \* \*

1 (3) There shall be no credit authorized pursuant to this Section for  
2 systems installed on or after July 1, 2017.

3 \* \* \*

4 §6034. Musical and theatrical production income tax credit

5 \* \* \*

6 ~~K. Commencing no later than January 31, 2016, the House Committee on~~  
7 ~~Ways and Means and the Senate Committee on Revenue and Fiscal Affairs shall~~  
8 ~~review the credit authorized pursuant to the provisions of this Section to determine~~  
9 ~~if the economic benefit provided by such credit outweighs the loss of revenue~~  
10 ~~realized by the state as a result of awarding such credit. The House and Senate~~  
11 ~~committees shall make a specific recommendation no later than March 1, 2017, to~~  
12 ~~either continue the credit or to terminate the credit~~ **There shall be no credits**  
13 **granted pursuant to this Section for applications for initial certification received**  
14 **on or after July 1, 2017.**

15 §6035. Tax credit for conversion of vehicles to alternative fuel usage

16 \* \* \*

17 ~~H. Commencing no later than January 31, 2016, the House Committee on~~  
18 ~~Ways and Means and the Senate Committee on Revenue and Fiscal Affairs shall~~  
19 ~~review the credit authorized pursuant to the provisions of this Section to determine~~  
20 ~~if the economic benefit provided by such credit outweighs the loss of revenue~~  
21 ~~realized by the state as a result of awarding such credit. The House and Senate~~  
22 ~~committees shall make a specific recommendation no later than March 1, 2017, to~~  
23 ~~either continue the credit or to terminate the credit~~ **There shall be no credits**  
24 **granted pursuant to this Section for purchases or installations of qualified clean**  
25 **burning motor fuel vehicle property on or after July 1, 2017.**

26 Section 2. R.S. 51:2353(E), 2399.4(C)(3), and 3085(B)(5) are hereby enacted to read  
27 as follows:

28 §2353. Technology Commercialization Credit and Jobs Program; establishment;  
29 qualifications; administration

1 \* \* \*

2 E. No tax credits shall be granted pursuant to this Section for  
3 applications received on or after July 1, 2017.

4 \* \* \*

5 §2399.4. Modernization tax credit approval

6 \* \* \*

7 C.

\* \* \*

8 (3) No contract shall be executed under this Chapter with an employer  
9 who does not certify that the employer shall maintain the same statewide  
10 number of employees for five years after completion of the project. Failure to  
11 maintain the same statewide number of employees shall result in the recapture  
12 of all credits granted for the project and may be recovered by the secretary of  
13 the Department of Revenue through any collection remedy authorized by R.S.  
14 47:1561 and initiated within three years from December thirty-first of the year  
15 in which the Department of Revenue is notified by the Department of Economic  
16 Development of the reduction in statewide employees.

17 \* \* \*

18 §3085. Tax credit

19 \* \* \*

20 B.

\* \* \*

21 (5) There shall be no credits granted pursuant to this Section for  
22 investments made in an LCDFI on or after July 1, 2017.

23 \* \* \*

24 Section 3. R.S. 47:12, 35, 287.759, 301(10)(a)(vi), 4331, and 6021, and Chapter 26  
25 of Title 51 of the Louisiana Revised Statutes of 1950, comprised of R.S. 51:1921 through  
26 1935, are hereby repealed.

27 Section 4. This Act shall become effective upon signature by the governor or, if not  
28 signed by the governor, upon expiration of the time for bills to become law without signature  
29 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

1 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
2 effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

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DIGEST

SB 181 Original 2017 Regular Session Morrell

Present law provides for income and corporation tax credits for a percentage of the cost of certain qualifying activities.

Proposed law provides that the following credits cannot be earned for the qualifying activities after June 30, 2017:

- (1) Tax credit for contributions to educational institutions.
- (2) Certain refunds issued by utilities.
- (3) Tax credit for bone marrow donor expense.
- (4) Employer credit (Employment of the Previously Unemployed).
- (5) Qualified new recycling manufacturing or process equipment and/or service contracts.
- (6) Tax credits for donations made to assist playgrounds in economically depressed areas.
- (7) Louisiana Basic Skills Training Tax Credit.
- (8) Employer tax credits for donations of materials, equipment, advisors, or instructors.
- (9) Tax credits for donations made to public schools.
- (10) Tax credits for certain expenses paid by economic development corporations.
- (11) Tax credits for purchasers from "PIE contractors".
- (12) Angel Investor Tax Credit Program.
- (13) Sound recording investor tax credit.
- (14) Tax credit for Louisiana Citizens Property Insurance Corporation assessment.
- (15) Solar energy systems tax credit.
- (16) Musical and theatrical production income tax credit.
- (17) Tax credit for conversion of vehicles to alternative fuel usage.
- (18) Technology Commercialization Credit and Jobs Program.
- (19) Louisiana Community Development Financial Institutions Tax credit.

Present law authorizes the following tax credits for 100% of the ad valorem taxes paid by

certain taxpayers.

- (1) Ad valorem tax credit for Inventory and Natural Gas.
- (2) Ad valorem tax credit for Offshore Vessels.
- (3) Ad valorem tax paid by certain telephone companies.

Proposed law reduces the amount of the credit to 75% of the ad valorem taxes paid on or after January 1, 2017, for these ad valorem credits.

Present law provides for a 20% tax credit for eligible expenses for the rehabilitation of a historic structure that will be used for business purposes.

Proposed law retains present law and adds a \$65 million annual cap on historic rehabilitation tax credits that can be earned.

Present law provides businesses a retention and modernization tax credit for modernization of their existing state operations that meet certain qualifications.

Proposed law authorizes the recapture of the retention and modernization tax credit by the Department of Revenue if the business does not maintain the same statewide number of employees for five years after receiving the credit.

Present law includes tax credits and exemptions that are expired.

Proposed law repeals the following expired tax credits and exemptions:

- (1) State low income housing credit.
- (2) Neighborhood assistance tax credit.
- (3) Tax credit for employee and dependent health insurance coverage.
- (4) Louisiana Motion Picture Incentive Act (tax credit and sales tax exemption).
- (5) Corporate Tax Apportionment Program.
- (6) Brownfields Investor Tax Credit.
- (7) Louisiana Capital Companies Tax Credit Program.

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

(Amends R.S. 47:37(C), 265, 287.664, 287.755(C), 287.758(B), 6004(A)(1) and (C), 6005(C)(1), (D)(1), and (G), 6006(A), 6006.1(A), 6008(A), 6009(D)(1), 6012(B), 6013(A), 6014(A), 6017(A), 6019(A)(1)(a), 6023(I), 6034(K), and 6035(H); adds R.S. 47:6018(G), 6020(G), 6025(A)(4), 6030(A)(3), R.S. 51:2353(E), 2399.4(C)(3), and 3085(B)(5); repeals R.S. 47:12, 35, 287.759, 301(10)(a)(vi), 4331, and 6021, and R.S. 51:1921-1935)