
DIGEST

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HB 651 Reengrossed

2017 Regular Session

Broadwater

Abstract: Provides relative to corporate income tax credits.

Proposed law amends certain income and sales tax credits and exemptions as follows:

- (1) (R.S. 47:287.759) Income tax credits for employee and dependent health insurance from 3 6/10ths% to 4% on 40% of the amount of the contract received in a tax year if 85% of the full-time employees of each contractor are offered health insurance and each contractor or sub-contractor pays 75% of the premium for each full-time employee.
- (2) (R.S. 47:297(B)) Income tax credits for elderly, contributions to candidate for public office, investments, foreign taxes, work incentive, jobs and residential energy credits from 7 2/10ths% to 7%.
- (3) (R.S. 47:297(G)) Income tax credit for environmental equipment purchase from 14 4/10ths% to 14%.
- (4) (R.S. 47:297.6) Income tax reduction for rehabilitation of owner-occupied residential structures from 18 ½% to 18% of the eligible costs and expenses.
- (5) (R.S. 47:6005) Sales tax exemption for purchase of new recycling manufacturing or process equipment and service contracts from 14 4/10ths% to 14% of the cost of the equipment or contract.
- (6) (R.S. 47:6013) Corporate income and franchise tax credit for donations made to a public school from 28 8/10ths% to 28%.
- (7) (R.S. 47:6020) Angel Investor Tax Credit from 25 2/10ths% to 25% of the amount of investment.
- (8) (R.S. 47:6022) Corporate Income tax credit for digital interactive media and software from 7 2/10ths% to 7%.
- (9) (R.S. 47:6034) Income tax credit for musical and theatrical production where total base investment is between \$100,000 and \$300,000 from 7 2/10ths% to 7%; and where the total base investment is between \$300,000 and \$1 million from 14 4/10ths% to 14%; and if the base investment is spent on payroll for Louisiana residents, an additional credit from 7

2/10ths% to 7%.

- (10) (R.S. 47:6035) Corporate income tax credit for conversion of vehicles to alternative fuel from 7 2/10ths% to 7% of the cost of the motor vehicle.
- (11) (R.S. 47:6037) Income tax credit for green jobs industries where total base investment is between \$100,000 and \$300,000 from 7 2/10ths% to 7%; and where the total base investment is between \$300,000 and \$1 million from 14 4/10ths% to 14%; and if the base investment is spent on payroll for Louisiana residents, an additional \$1 million credit from 7 2/10ths% to 7%.
- (12) (R.S. 51:2354) Technology commercialization credit from 28 8/10ths% to 29% of the money invested in commercialization costs for one business location; and a credit for new jobs created from 4 32/100ths% to 4%.
- (13) (R.S. 51:2399.3) Modernization credit approved on or after July 1, 2015, from 3 6/10ths% to 4%.

Proposed law repeals the sunset date (June 30, 2018) for the 28% reductions to the following tax credits contained in Act No. 125 of the 2015 R.S., as amended by Act No. 29 of the 2016 1st ES, thereby providing for the continued effectiveness of the 28% reductions:

- (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 service members 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. 47:6020 Angel Investor tax credit program
- (27) R.S. 47:6022 Digital interactive media and software tax credit
- (28) R.S. 47:6023 Sound recording investor tax credit
- (29) R.S. 47:6025 Credit for La. Citizens Property Insurance Corp. assessment
- (30) R.S. 47:6026 Cane River heritage tax credit
- (31) R.S. 47:6032 Credit for certain milk producers
- (32) R.S. 47:6034 Musical and theatrical production income tax credit
- (33) R.S. 47:6035 Credit for conversion of vehicles to alternative fuel usage
- (34) R.S. 47:6036 Ports of Louisiana tax credit

- (35) R.S. 47:6037 Credit for "green job industries"
- (36) R.S. 51:1807 Incentives (Urban Revitalization)
- (37) R.S. 51:2354 Technology commercialization credit
- (38) R.S. 51:2399.3 Modernization tax credit
- (39) R.S. 51:3085 Community Development Financial Institution tax credit

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

(Amends R.S. 47:287.759(A), 297(B) and (G)(2), 297.6(A)(1)(a), 6005(C)(1), 6013(A), 6020(D)(2)(a), 6022(D)(3)(intro. para.), 6034(C)(1)(a)(iii)(bb)(intro. para.) and (d)(ii), 6035(D), and 6037(B)(2)(b)(i) and (ii) and (c), R.S. 51:2354(B)(intro. para.) and (C), and 2399.3(A)(2)(b)(intro. para.), and §§7 and 8 of Act No. 125 of 2015 R.S.; Adds R.S. 47:6022(D)(4) and 6034(C)(1)(a)(iii)(cc) and R.S. 51:2354(D) and 2399.3(A)(2)(c); Repeals §§4, 5, and 6 of Act No. 125 of 2015 R.S.)