

**ACT No. 336**

2017 Regular Session

HOUSE BILL NO. 300

BY REPRESENTATIVES DAVIS, FOIL, AND STOKES AND SENATOR MORRELL

1 AN ACT

2 To amend and reenact R.S. 47:6015(C)(2), (D), (E)(1), and (J), relative to the research and  
3 development tax credit program; to provide for definitions; to provide for credit  
4 rates; to provide for transferability of credits; to extend the termination of the credit;  
5 to provide for applicability; to provide for an effective date; and to provide for  
6 related matters.

7 Be it enacted by the Legislature of Louisiana:

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

10 §6015. Research and development tax credit

11 \* \* \*

12 C.

13 \* \* \*

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

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

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

1 (c) ~~Forty~~ Thirty percent of the difference, if any, of the Louisiana qualified  
2 research expenses for the taxable year minus the base amount, if the taxpayer is an  
3 entity that employs less than fifty persons.

4 \* \* \*

5 D.(1) A taxpayer who receives a Phase I or II grant from the federal Small  
6 Business Technology Transfer Program or a federal Small Business Innovation  
7 Research Grant as created by the Small Business Innovation Development Act of  
8 1982 (P.L. 97-219), reauthorized by the Small Business Research and Development  
9 Enhancement Act (P.L. 102-564), and reauthorized again by the Small Business  
10 Reauthorization Act of 2000 (P.L. 106-554); shall be allowed a tax credit in an  
11 amount equal to ~~forty~~ thirty percent of the award received during the tax year.

12 (2) In addition to the credit utilization allowed by Paragraph (C)(3) of this  
13 Section, research and development tax credits for tax years 2018 and later that are  
14 based on participation in the Small Business Technology Transfer Program or the  
15 Small Business Innovation Research Grant program and that were not previously  
16 claimed by any taxpayer against his income or corporation franchise tax may be  
17 transferred or sold to another Louisiana taxpayer, subject to the following conditions:

18 (a) A single transfer or sale may involve one or more transferees. A  
19 transferee of the tax credits may transfer or sell such tax credits subject to the  
20 conditions of this Paragraph.

21 (b) Transferors and transferees shall submit to the Department of Revenue  
22 in writing, a notification of any transfer or sale of tax credits within ten business days  
23 after the transfer or sale of such tax credits. No transfer or sale of tax credits shall  
24 be effective until recorded in the tax credit registry in accordance with R.S. 47:1524.  
25 The notification shall include the transferor's tax credit balance prior to transfer, a  
26 copy of any tax credit certification letter issued by the Department of Economic  
27 Development, the transferor's remaining tax credit balance after transfer, all tax  
28 identification numbers for both transferor and transferee, the date of the transfer, the

1           amount transferred, a copy of the credit certificate, the price paid by the transferee  
 2           to the transferor, and any other information required by the Department of Revenue.  
 3           The notification submitted to the Department of Revenue shall include a transfer  
 4           processing fee of two hundred dollars per transferee.

5                   (c) Failure to comply with this Paragraph shall result in the disallowance of  
 6                   the tax credit until the taxpayers are in full compliance.

7                   (d) The transfer or sale of this credit does not extend the time in which the  
 8                   credit can be used. The carryforward period for a credit that is transferred or sold  
 9                   begins on the date on which the credit was earned.

10                   E. As used in this Section, the following terms shall have the meaning  
 11                   hereafter ascribed to them, unless the context clearly indicates otherwise:

12                               (1) "Base amount" shall mean ~~seventy~~ the following:

13                               (a) If the taxpayer is an entity that employs fifty or more persons, the base  
 14                               amount shall be eighty percent of the average annual qualified research expenses  
 15                               within Louisiana during the three years preceding the taxable years.

16                               (b) If the taxpayer is an entity that employs less than fifty persons, the base  
 17                               amount shall be fifty percent of the average annual qualified research expenses  
 18                               within Louisiana during the three years preceding the taxable year taxable years.

19                                                                   \*       \*       \*

20                   J. No credit shall be allowed pursuant to this Section for research  
 21                   expenditures incurred, Small Business Technology Transfer Program funds received  
 22                   or Small Business Innovation Research Grant funds received after December 31,  
 23                   ~~2019~~ 2021.

24                                                                   \*       \*       \*

25                   Section 2. The provisions of this Act shall apply to tax years beginning on or after  
 26                   January 1, 2017.

27                   Section 3. 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

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

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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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_