

1 6025(F), 6032(I), 6034(L), 6035(J), 6105(C), 6107(D), 6301(D), and 6351(I) are hereby
2 enacted to read as follows:

3 §34. ~~Corporation~~ **New jobs** tax credit

4 * * *

5 **G. Beginning July 1, 2019, tax credits claimed by all recipients pursuant**
6 **to this Section and R.S. 47:297.749 shall be limited to an aggregate reduction of**
7 **tax liability that does not exceed five hundred thousand dollars each fiscal year.**

8 §35. Neighborhood assistance tax credit

9 * * *

10 **E. The credit provided for pursuant to this Section shall terminate and**
11 **shall have no effect after December 31, 2025.**

12 * * *

13 §37. Tax credit for contributions to educational institutions

14 * * *

15 **J. Beginning July 1, 2019, tax credits claimed by all recipients pursuant**
16 **to this Section and R.S. 47:297.755 shall be limited to an aggregate reduction of**
17 **tax liability that does not exceed one million two hundred thousand dollars each**
18 **fiscal year.**

19 * * *

20 §227. Offset against tax **for insurance premium taxes paid**

21 **A.** Every insurance company shall be entitled to an offset against any tax
22 incurred under this Chapter, in the amount of any taxes, based on premiums, paid by
23 it during the preceding twelve months, by virtue of any law of this state.

24 **B. The credit provided for pursuant to this Section shall terminate and**
25 **shall have no effect after December 31, 2025.**

26 * * *

27 §265. Credits arising from refunds by utilities

28 **A.** Whenever a utility refunds to its customers, pursuant to an order of a court
29 or regulatory agency as a result of the denial of a proposed rate increase, an amount

1 or amounts which, if taken as a deduction from gross income in the year paid or
 2 accrued, would result in a net loss, then in lieu of such deduction the utility may elect
 3 to take a credit against its Louisiana income tax in the amount of seventy-two percent
 4 of the income tax increase which was the sole result of the inclusion of the amount
 5 or amounts refunded in gross income in the year or years received irrespective of
 6 whether or not the period of limitation provided in R.S. 47:1623 has expired for the
 7 year in which the amount refunded was included in gross income. If this credit
 8 exceeds the income tax that would be due the state of Louisiana in the year of the
 9 refund, computed without the credit, then the excess of this credit may be carried
 10 over the following two taxable years.

11 **B. The credit provided for pursuant to this Section shall terminate and**
 12 **shall have no effect after December 31, 2025.**

13 * * *

14 §287.664. Credits arising from refunds by utilities

15 A. Whenever a utility refunds to its customers, pursuant to an order of a court
 16 or regulatory agency as a result of the denial of a proposed rate increase, an amount
 17 or amounts which, if taken as a deduction from gross income in the year paid or
 18 accrued, would result in a net loss, then in lieu of such deduction the utility may elect
 19 to take a credit against its Louisiana income tax in the amount of seventy-two percent
 20 of the income tax increase which was the sole result of the inclusion of the amount
 21 or amounts refunded in gross income in the year or years received irrespective of
 22 whether or not the period of limitation provided in R.S. 47:1623 has expired for the
 23 year in which the amount refunded was included in gross income. If this credit
 24 exceeds the income tax that would be due the state of Louisiana in the year of the
 25 refund, computed without the credit, then the excess of this credit may be carried
 26 over the following two taxable years.

27 **B. The credit provided for pursuant to this Section shall terminate and**
 28 **shall have no effect after December 31, 2025.**

29 * * *

1 §287.749. Jobs credit

2 * * *

3 **F. Beginning July 1, 2019, tax credits claimed by all recipients pursuant**
4 **to this Section and R.S. 47:34 shall be limited to an aggregate reduction of tax**
5 **liability that does not exceed five hundred forty thousand dollars each fiscal**
6 **year.**

7 * * *

8 §287.753. Neighborhood assistance tax credit

9 * * *

10 **E. The credit provided for pursuant to this Section shall terminate and**
11 **shall have no effect after December 31, 2025.**

12 * * *

13 §287.755. Tax credit for contributions to educational institutions

14 * * *

15 **J. Beginning July 1, 2019, tax credits claimed by all recipients pursuant**
16 **to this Section and R.S. 47:37 shall be limited to an aggregate reduction of tax**
17 **liability that does not exceed one million two hundred thousand dollars each**
18 **fiscal year.**

19 * * *

20 §287.758. Tax credit for bone marrow donor expense

21 * * *

22 **D. The credit provided for pursuant to this Paragraph shall terminate**
23 **and shall have no effect for expenses paid on or after July 1, 2018.**

24 * * *

25 §297. Reduction to tax due; **income tax credits**

26 * * *

27 C.(1) There **For taxable years beginning before January 1, 2026, there**
28 shall be allowed to an individual, as a credit against the tax imposed by this Chapter
29 for the taxable year, an amount equal to seventy-two percent of the state gasoline and

1 motor fuels taxes and special fuels taxes paid to operate or propel a commercial
 2 fishing boat. The credit shall not be allowed for any such taxes for which a refund
 3 has been claimed pursuant to the provisions of Part VIII of Chapter 18 of this
 4 Subtitle.

* * *

6 **H. Small town doctor and dentist credit.**

7 (1) The tax determined as provided in this Part shall be reduced by the lesser
 8 of the tax due or three thousand six hundred dollars per taxable year up to a
 9 maximum of five years for each taxpayer meeting all of the following criteria.

10 * * *

11 (5) The total amount of tax credits certified by the Louisiana Department of
 12 Health and granted by the Department of Revenue in any calendar year shall not
 13 exceed ~~one million five hundred~~ **four hundred fifty** thousand dollars. The rules and
 14 regulations promulgated pursuant to the provisions of this Section shall establish the
 15 method of allocating available tax credits to primary care health professionals
 16 including but not limited to a first-come, first-served system, reservation of tax
 17 credits for a specific time period, or other method which the departments may find
 18 beneficial.

19 * * *

20 I. There shall be a bone marrow donor expense tax credit for any individual
 21 taxpayer required to file a Louisiana tax return, acting as a business entity authorized
 22 to do business in the state, operating as either a sole proprietorship, a partner in a
 23 partnership, or as a Subchapter S Corporation, for bone marrow donor expense to be
 24 determined as follows:

25 * * *

26 **(4) The credit provided for pursuant to this Subsection shall terminate**
 27 **and shall have no effect for expenses paid on or after July 1, 2018.**

28 * * *

29 K.(1) There shall be a credit against the tax liability due under this Chapter,

1 as provided in this Subsection, for each taxpayer who provides full-time employment
2 to an individual who has been convicted of a first time drug offense and who is less
3 than twenty-five years of age at the time of initial employment.

4 * * *

5 **(4) There shall be no tax credits earned pursuant to this Subsection for**
6 **employees hired on or after July 1, 2018.**

7 * * *

8 §6004. Employer credit; **employment of the previously unemployed**

9 * * *

10 **D. There shall be no tax credits earned pursuant to this Section for**
11 **employees hired on or after July 1, 2018.**

12 §6005. Qualified new recycling manufacturing or process equipment and/or service
13 contracts

14 * * *

15 **H. Beginning July 1, 2019, tax credits claimed by all recipients pursuant**
16 **to this Section shall be limited to an aggregate reduction of tax liability that does**
17 **not exceed two hundred fifty thousand dollars each fiscal year.**

18 **I. The credit provided for pursuant to this Section shall terminate and**
19 **shall have no effect after December 31, 2025.**

20 §6006. Tax credits for local inventory taxes paid

21 * * *

22 **G.(1) Beginning July 1, 2019, tax credits claimed by all recipients**
23 **pursuant to Paragraph (A)(1) of this Section shall be limited to an aggregate of**
24 **three hundred million dollars each fiscal year.**

25 **(2) Beginning July 1, 2019, tax credits claimed by all recipients pursuant**
26 **to Paragraph (A)(2) of this Section shall be limited to an aggregate of six million**
27 **dollars each fiscal year.**

28 **H. The credits provided for pursuant to this Section shall terminate and**
29 **shall have no effect after December 31, 2025.**

1 §6006.1. Tax credits for taxes paid with respect to vessels in Outer Continental Shelf

2 Lands Act Waters

3 * * *

4 **H. Beginning July 1, 2019, tax credits claimed by all recipients pursuant**
5 **to this Section shall be limited to an aggregate of fifty-four million dollars each**
6 **fiscal year.**

7 **I. The credit provided for pursuant to this Section shall terminate and**
8 **shall have no effect after December 31, 2025.**

9 * * *

10 §6007. Motion picture production tax credit

11 * * *

12 J. Credit caps, structured pay outs, and project size limitations

13 * * *

14 (2) Department of Revenue taxpayer claim cap.

15 (a)(i) Beginning July 1, 2017 **through June 30, 2021**, claims against state
16 income tax allowed on returns for tax credits or transfers of such tax credits,
17 including legacy credits, to the Department of Revenue as provided for in Paragraph
18 (C)(4) of this Section shall be limited to an aggregate total of one hundred eighty
19 million dollars each fiscal year. If less than one hundred eighty million dollars of
20 such tax credits and transfers are allowed in a fiscal year, the remaining amount, plus
21 any amounts remaining from previous fiscal years, shall be added to the one hundred
22 eighty million dollar limit of subsequent fiscal years until that amount of tax credits
23 or tax credit transfers to the Department of Revenue are claimed and allowed.

24 **(ii) Beginning July 1, 2021, claims against state income tax allowed on**
25 **returns for tax credits or transfers of such tax credits, including legacy credits,**
26 **to the Department of Revenue as provided for in Paragraph (C)(4) of this**
27 **Section shall be limited to an aggregate total of one hundred fifty million dollars**
28 **each fiscal year.**

29 * * *

1 §6008. Tax credits for donations made to assist playgrounds in economically
2 depressed areas

3 * * *

4 **E. There shall be no tax credits earned pursuant to this Section for**
5 **donations made on or after July 1, 2018.**

6 §6009. Louisiana Basic Skills Training Tax Credit

7 * * *

8 **G. Beginning July 1, 2019, tax credits claimed by all recipients pursuant**
9 **to this Section shall be limited to an aggregate reduction of tax liability that does**
10 **not exceed forty thousand dollars each fiscal year.**

11 **H. The credit provided for pursuant to this Section shall terminate and**
12 **shall have no effect after December 31, 2025.**

13 * * *

14 §6012. Employer tax credits for donations of materials, equipment, advisors, or
15 instructors

16 * * *

17 E. The tax credit granted by the provisions of this Section shall terminate on
18 January 1, 2001, unless reestablished prior thereto. **There shall be no tax credits**
19 **earned pursuant to this Section for donations made on or after July 1, 2018.**

20 * * *

21 §6013. Tax credits for donations made to public schools

22 * * *

23 **E. Beginning July 1, 2019, tax credits claimed by all recipients pursuant**
24 **to this Section shall be limited to an aggregate reduction of tax liability that does**
25 **not exceed ten thousand dollars each fiscal year.**

26 **F. The credit provided for pursuant to this Section shall terminate and**
27 **shall have no effect after December 31, 2025.**

28 * * *

29 §6015. Research and development tax credit

* * *

M. Beginning July 1, 2019, tax credits claimed by all recipients pursuant to this Section shall be limited to an aggregate reduction of tax liability that does not exceed five million dollars each fiscal year.

N. The credit provided for pursuant to this Section shall terminate and shall have no effect after December 31, 2025.

§6016. New markets tax credit

* * *

J. The credit provided for pursuant to this Section shall terminate and shall have no effect after December 31, 2025.

§6016.1. Louisiana New Markets Jobs Act; premium tax credit

* * *

O. The credit provided for pursuant to this Section shall terminate and shall have no effect after December 31, 2025.

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

* * *

D. There shall be no tax credits earned pursuant to this Section for fees paid on or after July 1, 2018.

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

* * *

G. There shall be no tax credits earned pursuant to this Section for sales and use taxes paid on or after July 1, 2018.

§6019. Tax credit; rehabilitation of historic structures

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

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

1 * * *

2 **F. Beginning July 1, 2019, tax credits claimed by all recipients pursuant**
3 **to this Section shall be limited to an aggregate of twelve million dollars each**
4 **fiscal year.**

5 * * *

6 §6032. Tax credit for certain milk producers

7 * * *

8 **I. The credit provided for pursuant to this Section shall terminate and**
9 **shall have no effect after December 31, 2025.**

10 §6034. Musical and theatrical production income tax credit

11 * * *

12 **L. Beginning July 1, 2019, tax credits claimed by all recipients pursuant**
13 **to this Section shall be limited to an aggregate of ten million dollars each fiscal**
14 **year.**

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

16 * * *

17 **J. Beginning July 1, 2019, tax credits claimed by all recipients pursuant**
18 **to this Section shall be limited to an aggregate of four million dollars each fiscal**
19 **year.**

20 * * *

21 §6105. Child care provider tax credit

22 * * *

23 **C. The credit provided for pursuant to this Section shall terminate and**
24 **shall have no effect after December 31, 2025.**

25 * * *

26 §6107. Business-supported child care **and resource and referral credits**

27 * * *

28 **D. The credits provided for pursuant to this Section shall terminate and**
29 **shall have no effect after December 31, 2025.**

* * *

§6301. Credit; donations to school tuition organizations

* * *

D. The credits provided for pursuant to this Section shall terminate and shall have no effect after December 31, 2025.

§6351. Rebates **Procurement Processing Company Rebates**; contracts for certain state sales and use tax rebates

* * *

I. No new contracts shall be approved pursuant to this Section with procurement processing companies and no new contracts between procurement processing companies and purchasing companies shall be entered into after December 31, 2025.

Section 2. R.S. 51:1787(L), 2357, 2399.3(C), 2399.7, 2463, and 3121(H) are hereby enacted to read as follows:

§1787. **Enterprise Zone** Incentives

* * *

L. Beginning July 1, 2018, claims against state income tax and corporation franchise tax and rebates paid to all recipients pursuant to this Chapter shall be limited to an aggregate amount that does not exceed sixty million dollars each fiscal year.

* * *

§2357. Technology commercialization credit annual limitation

Beginning July 1, 2019, tax credits claimed by all recipients pursuant to this Section shall be limited to an aggregate of sixty thousand dollars each fiscal year.

* * *

§2399.3. Modernization tax credit

* * *

C. Beginning July 1, 2019, tax credits claimed by all recipients pursuant

1 to this Section shall be limited to an aggregate of five million dollars each fiscal
2 year.

3 * * *

4 §2399.7. Modernization tax credit termination

5 No contracts or contract renewals shall be executed pursuant to this
6 Chapter after December 31, 2025.

7 * * *

8 §2463. Louisiana Quality Jobs rebate annual limitation

9 Beginning July 1, 2018, rebates paid to all recipients pursuant to this
10 Section shall be limited to an aggregate amount that does not exceed one
11 hundred fifty million dollars each fiscal year.

12 * * *

13 §3121. Competitive Projects Payroll Incentive Program

14 * * *

15 H. Beginning July 1, 2018, rebates paid to all recipients pursuant to this
16 Section shall be limited to an aggregate amount that does not exceed ten million
17 dollars each fiscal year.

18 Section 3. Unless otherwise provided, all rebates and credits in this Act subject to an
19 annual or total program cap or limit on the total amount of the rebate or credit which may
20 be allowed to taxpayers within a certain time period shall be administered on a first-come,
21 first-served basis. If the total amount of rebates or credits applied for in any particular time
22 period exceeds the amount of rebates or credits applied for authorized for that year, the
23 excess shall be treated as having been applied for on the first day of the subsequent year. All
24 requests received on the same business day shall be treated as received at the same time, and
25 if the aggregate amount of the requests received on a single business day exceed the total
26 amount of available rebates or credits, rebates or credits shall be approved on a pro rata
27 basis.

28 Section 4. The provisions of this Act shall apply to all claims for rebates and credits
29 filed with the Department of Revenue on or after July 1, 2018, regardless of the taxable year

1 to which the claim relates.

2 Section 5. This Act shall become effective upon signature by the governor or, if not
3 signed by the governor, upon expiration of the time for bills to become law without signature
4 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
5 vetoed by the governor and subsequently approved by the legislature, this Act shall become
6 effective on the day following such approval.

The original instrument was prepared by Leonore F. Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by James Benton.

DIGEST

SB 11 Engrossed

2018 Second Extraordinary Session

Morrell

Present law provides for a variety of tax credit and rebate programs for business.

Present law provides no annual limits on the expenditure for the majority of these tax incentive programs.

Present law provides no termination date for the majority of these tax incentive programs. Proposed law limits the aggregate amount that can be claimed per fiscal year for certain credits and rebates on tax returns or rebate claim forms for all taxpayers submitting claims on or after July 1, 2019.

Proposed law further provides a Dec. 31, 2025, termination date for active programs that do not already have a statutory termination date and provides a July 1, 2018, termination date for inactive programs. The aggregate amount that can be claimed during any future fiscal year for these programs and termination dates in proposed law are as follows:

- | | | |
|---|-------------|------------------|
| (1) New Jobs credit
(R.S. 47:34 and R.S. 47:287.749) | \$500,000 | |
| (2) Neighborhood assistance tax credit
(R.S. 47:35) | | Dec. 31,
2025 |
| (3) Tax credit for contributions to educational institutions (R.S. 47:37 and R.S. 47:297.755) | \$1,200,000 | |
| (4) Premium tax credit (R.S. 47:227) | | Dec. 31,
2025 |
| (5) Credits arising from refunds by utilities
(R.S. 47:265 and R.S. 47:287.664) | | Dec. 31,
2025 |
| (6) Tax credit for bone marrow donor expense
(R.S. 47:287.758 and R.S. 47:297(I)) | | July 1, 2018 |

(7) Gasoline and special fuels taxes for commercial fisherman (R.S. 47:297(C))		Dec. 31, 2025
(8) Small town doctor and dentist credit (R.S. 47:297(H))	\$450,000	
(9) Employment of certain first time drug offenders (R.S. 47:297(K))		July 1, 2018
(10) Employment of the previously unemployed (R.S. 47:6004)		July 1, 2018
(11) Purchase of qualified new recycling manufacturing or process equipment and/or service contracts (R.S. 47:6005)	\$250,000	Dec. 31, 2025
(12) Ad valorem tax on inventory (R.S. 47:6006)	\$300,000,000	Dec. 31, 2025
(13) Ad Valorem tax on natural gas (R.S. 47:6006)	\$6,000,000	Dec. 31, 2025
(14) Ad valorem tax credit for offshore vessels (R.S. 47:6006.1)	\$54,000,000	Dec. 31, 2025
(15) Motion Picture Production Credit (R.S. 47:6007)	Reduce backend cap to \$150,000,000 on July 1, 2022	
(16) Donations to Assist Qualified Playgrounds (R.S. 47:6008)		July 1, 2018
(17) Basic skills training tax credit (R.S. 47:6009)	\$40,000	Dec. 31, 2025
(18) Donations of materials, equipment, or instructors made to certain training providers (R.S. 47:6012)		July 1, 2018
(19) Donations to public elementary or secondary schools (R.S. 47:6013)	\$10,000	Dec. 31, 2025
(20) Research and development tax credit (R.S. 47:6015)	\$5,400,000	Dec. 31, 2025
(21) New markets tax credit (R.S. 47:6016)		Dec. 31, 2025
(22) New markets jobs premium tax credit (R.S. 47:6016.1)		Dec. 31, 2025

(23) Credit for debt issuance cost (R.S. 47:6017)		July 1, 2018
(24) Purchases from prison industry enhancement contractors (R.S. 47:6018)		July 1, 2018
(25) Rehabilitation of Historic Structures (R.S. 47:6019)	\$110,000,000	
(26) Digital interactive media credit (R.S. 47:6022)	\$10,000,000	Dec. 31, 2025
(27) Sound recording investor tax credit (R.S. 47:6023)	\$5,000,000	
(28) Citizens property insurance corporation assessment (R.S. 47:6025)	\$12,000,000	Dec. 31, 2025
(29) Milk producer credit (R.S. 47:6032)		Dec. 31, 2025
(30) Musical and theatrical production income tax credit (R.S. 47:6034)	\$10,000,000	
(31) Conversion of vehicles to alternative fuel usage (R.S. 47:6035)	\$4,000,000	
(32) School readiness child care provider tax credit (R.S. 47:6105)		Dec. 31, 2025
(33) School readiness business-supported and grants to resource and referral agencies credit child care credits (R.S. 47:6107)		Dec. 31, 2025
(34) School tuition organizations donation credit (R.S. 47:6301)		Dec. 31, 2025
(35) Procurement processing company rebates (R.S. 47:6351)		Dec. 31, 2025
(36) Enterprise zone program incentives (R.S. 51:1781-1791)	\$60,000,000	
(37) Technology commercialization credit (R.S. 51:2351-2356)	\$60,000	
(38) Modernization tax credit (R.S. 51:2399.1-2399.6)	\$5,000,000	Dec. 31, 2025

(39) Louisiana quality jobs rebates (R.S. 51:2451-2462)	\$150,000,000
(40) Competitive projects payroll incentive program (R.S. 51:3121)	\$10,000,000

Proposed law provides that if the total amount of credits applied for in a year exceeds the amount available the excess will be treated as having been applied for on the first day of the subsequent year.

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

(Amends R.S. 47:227, 265, 287.664, 297(C)(1), (H)(1) and (5), 6007(J)(2)(a), 6012(E), and 6019(A)(1)(a); adds R.S. 47:34(G), 35(E), 37(J), 287.749(F), 287.753(E), 287.755(J), 287.758(D), 297(I)(4) and (K)(4), 6004(D), 6005(H) and (I), 6006(G) and (H), 6006.1(H) and (I), 6008(E), 6009(G) and (H), 6013(E) and (F), 6015(M) and (N), 6016(J), 6016.1(O), 6017(D), 6018(G), 6022(K) and (M), 6025(F), 6032(I), 6034(L), 6035(J), 6105(C), 6107(D), 6301(D), and 6351(I) and R.S. 51:1787(L), 2357, 2399.3(C), 2399.7, 2463, and 3121(H))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Changes the aggregate amount that can be claimed each fiscal year on tax returns or rebate claim forms for certain tax incentive programs and changes the submission date from July 1, 2018 to July 1, 2019.
2. Provides that if the total amount of credits applied for in a year exceeds the amount available the excess will be treated as having been applied for on the first day of the subsequent year.
3. Adds provisions regarding the motion picture production credit.
4. Removes provisions relative to the industrial tax equalization credit; exemptions for manufacturing establishments; ad valorem tax paid by certain telephone companies; angel investor tax credit program; sound recording investor tax credit; and the Brownfields investor tax credit.