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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.

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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<br>(R.S. 47:34 and R.S. 47:287.749)                                       | \$500,000   |               |
| (2) Neighborhood assistance tax credit<br>(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<br>(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

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(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

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(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.