

2020 First Extraordinary Session

HOUSE BILL NO. 52

BY REPRESENTATIVES COUSSAN, PIERRE, AND WILLARD

TAX CREDITS: Increases the amount of the Digital Interactive Media and Software Tax Credit, requires the increase to be used for training employees from certain disadvantaged groups, and expands eligibility to include information technology services (Item #19)

1 AN ACT

2 To amend and reenact R.S. 47:6022(C)(5)(a) and (13) and to enact R.S. 47:6022(D)(4)(c),
3 relative to the digital interactive media and software tax credit; to increase the
4 amount of the tax credit; to expand eligibility requirements for the tax credit to
5 include certain information technology services; to provide for definitions; to
6 provide for requirements and limitations; to require the promulgation of rules; to
7 provide for an effective date; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:6022(C)(5)(a) and (13) are hereby amended and reenacted and
10 R.S. 47:6022(D)(4)(c) is hereby enacted to read as follows:

11 §6022. Digital interactive media and software tax credit

12 * * *

13 C. Definitions. For purposes of this Section:

14 * * *

15 (5)(a)(i) "Digital interactive media" means products or platforms that are
16 intended for commercial production, use, or distribution; that contain at least two of
17 the following types of data: text, sound, fixed images, animated images, video, or 3D
18 geometry; and that have all of the following three characteristics:

expended on payroll for La. residents employed in connection with a state-certified production. Tax credits are earned by a company at the time funds are expended in La. on a state-certified production.

Proposed law retains present law but, beginning July 1, 2023, authorizes an additional 2% tax credit in the base investment rate for state-certified production expenditures. Proposed law requires the Dept. of Economic Development (DED) to retain the monies from the 2% additional tax credit on behalf of the applicant to be used to reimburse the applicant for eligible expenses incurred to train new employees who come from economically disadvantaged groups and targeted demographics such as women, minorities, and veterans. Further provides that eligible expenses include costs for training new employees, training providers, educational and training materials, and travel expenses.

Proposed law requires DED to promulgate rules in accordance with present law, subject to oversight by the House Ways and Means and Senate Revenue and Fiscal Affairs committees establishing a process for submission of expenses for reimbursement, the payment of eligible expenses, and the refund of remaining monies.

Present law defines "digital interactive media" as products or platforms that are intended for commercial production, use, or distribution that contain at least two of the following types of data: text, sound, fixed images, animated images, video, or 3D geometry, and that have certain specified characteristics.

Proposed law retains present law but expands the definition of "digital interactive media" to include information technology services provided in cybersecurity, cloud engineering, and data analytics in support of digital systems or platforms.

Present law defines a "state-certified production" as a digital interactive media production or a component part thereof.

Proposed law retains present law but expands the definition of "state-certified production" to include information technology services provided in cybersecurity, cloud engineering, and data analytics in support of digital systems or platforms approved by the office.

Effective July 1, 2023.

(Amends R.S. 47:6022(C)(5)(a) and (13); Adds R.S. 47:6022(D)(4)(c))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Change the effective date for authorization of the additional 2% tax credit in the base investment rate for state-certified production expenditures from July 1, 2021, to July 1, 2023.
2. Change the effective date for provisions of proposed law from July 1, 2020, to July 1, 2023.