

RÉSUMÉ DIGEST

ACT 25 (HB 4)

2020 First Extraordinary Session

Magee

Existing law authorizes an income and corporation franchise tax credit for the amount of eligible costs and expenses incurred during the rehabilitation of a historic structure located in a downtown development district or a cultural district. The amount of the credit is 20% of the eligible costs and expenses of the rehabilitation, and no taxpayer shall claim more than \$5 million of credit annually for any number of structures rehabilitated within a particular downtown development or cultural district.

Prior law authorized the credit to apply to eligible rehabilitation costs and expenses incurred prior to Jan. 1, 2022, and authorized the effectiveness of the credit for taxable years ending prior to Jan. 1, 2022.

New law extends the date for which eligible expenses can qualify for the tax credit from costs and expenses incurred prior to Jan. 1, 2022, to costs and expenses incurred prior to Jan. 1, 2026, and extends the effectiveness of the program from taxable years ending prior to Jan. 1, 2022, to taxable years ending prior to Jan. 1, 2026.

New law establishes, for State of La. Commercial Rehabilitation Tax Credit Part 2 applications received by the Dept. of Culture, Recreation and Tourism (CRT) on or after Jan. 1, 2021, an annual \$125M program cap on the amount of credits that may be reserved by taxpayers each year. If the amount of tax credit reservations issued in a calendar year is less than \$125M, the excess reservation amount is available for issuance in any subsequent calendar year. Requires the Dept. of Revenue and CRT to make reasonable efforts to post a listing of estimated unused credit amounts on their websites.

New law requires CRT to establish by rule the method of reserving available tax credits. Further requires rules promulgated to be subject to oversight by the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs.

Effective July 1, 2020.

(Amends R.S. 47:6019(A)(1)(a) and (C); Adds R.S. 47:6019(A)(1)(e))