

2021 Regular Session

HOUSE BILL NO. 678

BY REPRESENTATIVE DUPLESSIS

TAX CREDITS: Provides for the Louisiana work opportunity tax credit

1 AN ACT

2 To enact R.S. 47:287.750, relative to income tax credits; to provide for an income tax credit
3 for certain businesses that hire participants in work release programs; to provide for
4 the amount of the credit; to provide for the maximum amount of credits to be issued
5 annually; to provide for eligibility; to authorize unclaimed portions of a credit to be
6 carried forward; to provide for the administration of the tax credit; to provide for
7 effectiveness; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:287.750 is hereby enacted to read as follows:

10 §287.750. Louisiana work opportunity tax credit

11 A. There is hereby authorized a credit against individual and corporate
12 income tax for businesses that hire participants in the work release programs
13 provided for in R.S. 15:711, 1111, 1199.9, and 1199.10.

14 B. For the purposes of this Section the following terms shall have the
15 following meanings:

16 (1) "Department" shall mean the Department of Revenue.

17 (2) "Eligible business" shall mean a business that is subject to Louisiana
18 income tax and participates in any of the work release programs provided for in R.S.
19 15:711, 1111, 1199.9, or 1199.10.

20 (3) "Eligible job" shall mean the following:

1 (a) A new job.

2 (b) An existing job that has been vacant for at least one year.

3 (c) An existing job that is vacant because the person who previously filled
4 the job left voluntarily or was terminated for cause.

5 (4) "Eligible re-entrant" shall mean an inmate or former inmate who is
6 eligible to participate and is actively participating in a work release program
7 provided for in R.S. 15:711, 1111, 1199.9, or 1199.10. An eligible re-entrant shall
8 meet all of the criteria provided for in R.S. 15:1199.7.

9 C. The credit shall be earned upon certification by an eligible business that
10 it has employed an eligible re-entrant in an eligible job for twelve consecutive
11 months following the release of the eligible re-entrant from imprisonment. The
12 credit may be earned only once for each eligible re-entrant.

13 D.(1) The amount of the credit provided pursuant to this Section shall be
14 fifty percent of the wages paid to the eligible re-entrant for employment in the
15 eligible job during the twelve-month period certified pursuant to Subsection C of this
16 Section.

17 (2) Notwithstanding the provisions of Paragraph (1) of this Subsection, no
18 more than twenty thousand dollars of tax credits shall be granted to an eligible
19 business pursuant to this Section in a calendar year.

20 E. If the amount of the tax credit authorized pursuant to the provisions of this
21 Section exceeds the amount of the tax liability of the eligible business in the year in
22 which the credit is earned, the excess credit amount may be carried forward by the
23 eligible business as a credit against subsequent Louisiana income tax for a period not
24 to exceed five years from the year in which the credit was earned.

25 Section 2. This Act shall become effective on January 1, 2022, and shall be
26 applicable to taxing periods occurring on or after January 1, 2022.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 678 Original

2021 Regular Session

Duplessis

Abstract: Establishes the Louisiana work opportunity income tax credit for certain business that hire re-entrants participating in work release programs.

Proposed law authorizes an income tax credit for businesses that hire participants in work release programs provided for in present law (R.S. 15:711, 1111, 1199.9, and 1199.10).

Proposed law defines "eligible business" as any business that is subject to Louisiana income tax and participates in any of the work release programs provided for in present law.

Proposed law defines "eligible re-entrant" as an inmate eligible for participation in a work release program provided for in present law.

Proposed law defines "eligible job" as:

(1) A new job.

(2) An existing job that has been vacant for at least one year.

(3) An existing job that is vacant because the person who previously filled the job left voluntarily or was terminated for cause.

Proposed law provides the credit is earned upon certification that the re-entrant has been employed by the eligible business in an eligible job for 12 consecutive months. Provides that the credit may be earned only once for each eligible re-entrant.

Proposed law provides that the amount of the credit shall be 50% of the wages paid to the eligible re-entrant for employment in an eligible job during the specified time period. Further provides that the credit amount shall be no more than \$20,000 per eligible business in a calendar year.

Proposed law is applicable to tax years beginning on or after Jan. 1, 2022.

Effective Jan. 1, 2022.

(Adds R.S. 47:287.750)