

CONFERENCE COMMITTEE REPORT

HB 678

2021 Regular Session

Duplessis

June 10, 2021

To the Honorable Speaker and Members of the House of Representatives and the Honorable President and Members of the Senate.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning House Bill No. 678 by Representative Duplessis, recommend the following concerning the Engrossed bill:

1. That Senate Committee Amendments Nos. 1 and 3 through 9 by the Senate Committee on Revenue and Fiscal Affairs (#3064) be adopted.
2. That Senate Committee Amendment No. 2 by the Senate Committee on Revenue and Fiscal Affairs (#3064) be rejected.
3. That Senate Floor Amendment No. 2 by Senator Ward (#3554) be adopted.
4. That Senate Floor Amendments Nos. 1 and 3 by Senator Ward (#3554) be rejected.
5. That the following amendments to the Reengrossed bill be adopted:

AMENDMENT NO. 1

On page 1, line 7, after "authority;" insert "to extend the current amount of the federal earned income tax credit;"

AMENDMENT NO. 2

On page 3, between lines 20 and 21, insert the following:

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§297.8. Earned income tax credit

A. (1) Except as provided in Paragraph (2) of this Subsection, there shall be a credit against the tax imposed by this Chapter for individuals in an amount equal to three and one-half percent of the federal earned income tax credit for which the individual is eligible for the taxable year ~~under~~ pursuant to Section 32 of the Internal Revenue Code.

(2) For tax years beginning on ~~and or~~ after January 1, 2019, through December 31, ~~2025;~~ 2030, there shall be a credit against the tax imposed by this Chapter for individuals in an amount equal to five percent of the federal earned income tax credit for which the individual is eligible for the taxable year under Section 32 of the Internal Revenue Code.

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Respectfully submitted,

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Representative Royce Duplessis

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Senator R. L. Bret Allain II

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Representative Stuart J. Bishop

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Senator Rick Ward III

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Representative Barry Ivey

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Senator Joseph Bouie Jr.

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)]

**CONFERENCE COMMITTEE REPORT DIGEST**

**HB 678**

**2021 Regular Session**

**Duplessis**

**Keyword and oneliner of the instrument as it left the House**

TAX CREDITS: Provides for the Louisiana work opportunity tax credit

**Report adopts Senate amendments to:**

1. Make technical changes.

**Report rejects Senate amendments which would have:**

1. Repealed present law reduction of the federal earned income tax credit that would take effect on Jan. 1, 2026.
2. Made changes to the title.

**Report amends the bill to:**

1. Extend the current 5% federal earned income tax credit from December 31, 2025, to December 31, 2030.

**Digest of the bill as proposed by the Conference Committee**

Proposed law authorizes an income tax credit for eligible 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 La. 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 defines "secretary" as the secretary of the Dept. of Revenue.

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. Further provides that the credit may be earned only once for each eligible re-entrant.

Proposed law provides that the amount of the credit shall equal 5% of the total wages paid to the eligible re-entrant for employment in an eligible job during the specified time period. Further provides the total amount of tax credits granted to an eligible business shall not exceed \$2,500 per eligible re-entrant.

Proposed law provides the credit shall be earned upon certification by the Dept. of Public Safety or the applicable sheriff to the Dept. of Revenue that the eligible business employed an eligible re-entrant in an eligible job for 12 consecutive months following the re-entrant's release from imprisonment.

Proposed law provides that the credit shall be allowed against any La. income or franchise tax due by the business for the taxable period in which the credit is earned.

Proposed law authorizes businesses to carry forward any unused credit for a period not to exceed five years.

Proposed law authorizes the secretary to recover the credit under certain circumstances.

Proposed law permits the Dept. of Revenue to promulgate rules to establish procedures related to program eligibility.

Proposed law provides no credit shall be granted after June 30, 2027.

Proposed law provides the La. work opportunity tax credit shall be applicable to eligible re-entrants with a release date on or after Jan. 1, 2021.

Present law (R.S. 47:297.8) provides for an earned income tax credit against individual income tax in an amount equal to 5% of the federal earned income tax credit for tax years beginning on and after Jan. 1, 2019.

Proposed law retains present law .

Present law provides that beginning Jan. 1, 2026, the amount of the earned income tax credit is 3.5% of the federal earned income tax credit.

Proposed law changes the present law date from Jan. 1, 2026 to Jan. 1, 2031.

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

(Amends R.S. 47:297.8(A); Adds R.S. 47:287.750)