

2021 Regular Session

HOUSE BILL NO. 678

BY REPRESENTATIVE DUPLESSIS

1 AN ACT

2 To amend and reenact R.S. 47:297.8(A) and to enact R.S. 47:287.750, relative to income tax  
3 credits; to provide for an income tax credit for certain businesses that hire  
4 participants in work release programs; to provide for the amount of the credit; to  
5 provide for the maximum amount of credits to be issued annually; to provide for  
6 eligibility; to authorize unclaimed portions of a credit to be carried forward; to  
7 provide for the administration of the tax credit; to provide for rulemaking authority;  
8 to extend the current amount of the federal earned income tax credit; to provide for  
9 applicability; to provide for certain limitations and requirements; to provide for  
10 effectiveness; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 47:297.8(A) is hereby amended and reenacted and R.S. 47:287.750  
13 is hereby enacted to read as follows:

14 §287.750. Louisiana work opportunity tax credit

15 A. There is hereby authorized a non-refundable credit for businesses that hire  
16 participants in the work release programs provided for in R.S. 15:711, 1111, 1199.9,  
17 and 1199.10.

18 B. For the purposes of this Section the following terms shall have the  
19 following meanings:

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

21 (2) "Eligible business" shall mean a business that is subject to Louisiana  
22 income tax and participates in any of the work release programs provided for in R.S.  
23 15:711, 1111, 1199.9, or 1199.10.

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

2                   (a) A new job.

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

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

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

10                  (5) "Secretary" shall mean the secretary of the Department of Revenue.

11                  C.(1) The amount of the credit provided for in this Section shall equal five  
 12 percent of the total wages paid to an eligible re-entrant in an eligible job for twelve  
 13 consecutive months following the release of the eligible re-entrant from  
 14 imprisonment.

15                  (2) Notwithstanding the provisions of Paragraph (1) of this Subsection, the  
 16 total amount of tax credits granted to any eligible business pursuant to this Section  
 17 shall not exceed two thousand five hundred dollars per eligible re-entrant.

18                  D.(1) The credit shall be earned upon certification by the Department of  
 19 Public Safety and Corrections or the applicable sheriff to the department that the  
 20 eligible business employed an eligible re-entrant in an eligible job for twelve  
 21 consecutive months following the release of the eligible re-entrant from  
 22 imprisonment.

23                  (2) The credit shall be earned only once for each eligible re-entrant.

24                  E.(1) The credit shall be allowed against any Louisiana income or franchise  
 25 tax due from an eligible business for the taxable period in which the credit is earned.

26                  (2) If the tax credit authorized pursuant to this Section exceeds the tax  
 27 liability of an eligible business, the business may carry any unused credit forward  
 28 and apply the unused credit against subsequent tax liability for a period not to exceed  
 29 five years.

1                     F. Credits previously granted to an eligible business, but later disallowed  
 2                     may be recovered by the secretary pursuant to the provisions provided for in R.S.  
 3                     47:1561.3.

4                     G. A taxpayer shall not receive any other incentive for the job creation or  
 5                     hiring of an eligible re-entrant for which the taxpayer has received a tax credit  
 6                     pursuant to this Section.

7                     H. The department may promulgate rules in accordance with the  
 8                     Administrative Procedure Act to establish procedures related to program eligibility  
 9                     and any other matter necessary to carry out this Section.

10                    I. No credit shall be granted pursuant to this Section after June 30, 2027.

11                                     \*       \*       \*

12                    §297.8. Earned income tax credit

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

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

23                                     \*       \*       \*

24                    Section 2. The provisions of this Act pertaining to the Louisiana work opportunity  
 25                    tax credit shall be applicable to the employment of eligible re-entrants with a release date  
 26                    occurring on or after January 1, 2021.

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1           Section 3. This Act shall become effective upon signature by the governor or, if not  
2 signed by the governor, upon expiration of the time for bills to become law without signature  
3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
4 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
5 effective on the day following such approval.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_