

**ACT No. 454**

2021 Regular Session

HOUSE BILL NO. 680

BY REPRESENTATIVES HUGHES AND BRASS AND SENATOR CARTER AND REPRESENTATIVES WILFORD CARTER, CORMIER, DUPLESSIS, GAINES, GREEN, JAMES, JEFFERSON, JENKINS, JONES, JORDAN, LANDRY, LARVADAIN, LYONS, DUSTIN MILLER, MOORE, NEWELL, PHELPS, PIERRE, SELDERS, WHITE, AND WILLARD AND SENATORS BARROW, BOUDREAUX, BOUIE, FIELDS, HARRIS, PETERSON, PRICE, AND SMITH

1 AN ACT

2 To enact R.S. 47:6028 and 6033, relative to tax credits; to provide with respect to the  
3 Louisiana Youth Jobs Tax Credit Program; to provide with respect to apprenticeship  
4 tax credits; to authorize a procedure for granting apprenticeship tax credits against  
5 income and corporation franchise tax to certain employers; to provide relative to the  
6 powers and duties of the Department of Revenue; to provide definitions; to provide  
7 an effective date; to provide a termination date; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:6028 and 6033 are hereby enacted to read as follows:

10 §6028. Louisiana Youth Jobs Tax Credit Program

11 A. Purpose. It is hereby found that disadvantaged youth in Louisiana are  
12 often unemployed or underemployed through no fault of their own. The purpose of  
13 this program is to help young people entering the workforce have a successful start  
14 by providing them critical workforce skills that will serve them well for their entire  
15 careers.

16 B. Definitions. For purposes of this Section:

17 (1) "Department" means the Louisiana Department of Revenue.

18 (2) "Eligible youth" means an individual who:

1                   (a) Has attained the age of sixteen but not yet attained the age of twenty-four.

2                   (b) Is unemployed prior to being hired by a business that will apply for a  
3 credit pursuant to the provisions of this Section.

4                   (c) Will be working in a full-time or part-time position that pays wages that  
5 are equivalent to the wages paid for similar jobs, with adjustments for experience and  
6 training.

7                   (d) Meets at least one of the following criteria:

8                   (i) Is at least eighteen years old, is no longer in school, and does not have a  
9 high school diploma, HiSET or GED credential, or high school equivalency diploma.

10                  (ii) Is a member of a family that is receiving assistance from the Family  
11 Independence Temporary Assistance Program.

12                  (iii) Is a member of a family that is receiving benefits through the  
13 Supplemental Nutrition Assistance Program.

14                  (iv) Is a member of a family that is receiving assistance from the Kinship  
15 Care Subsidy Program.

16                  (v) Is a member of a family that is receiving assistance or benefits under the  
17 Temporary Assistance for Needy Families Program.

18                  (vi) Has served time in jail or prison or is on probation or parole.

19                  (vii) Is pregnant or is a parent.

20                  (viii) Is homeless.

21                  (ix) Is currently or was in foster care, extended foster care, or the custody of  
22 the Department of Children and Family Services.

23                  (x) Is a veteran.

24                  (xi) Is the child of a parent who is currently incarcerated or was released  
25 from incarceration within the past two years.

26                  (xii) Lives in public housing or receives housing assistance such as a Section  
27 8 voucher.

1                   (3) "Full-time position" means a position in which a person works at least  
2                   thirty-two hours per week.

3                   (4) "Part-time position" means a position in which a person works at least  
4                   twenty hours per week but less than thirty-two hours per week.

5                   (5) "Secretary" means the secretary of the Louisiana Department of Revenue.

6                   C. Administration of the credit. There shall be allowed a non-refundable tax  
7                   credit against income and corporation franchise taxes for a business that hires one  
8                   or more eligible youth on or after July 1, 2021. Notwithstanding any provision of  
9                   this Section to the contrary, no credit shall be granted unless the eligible youth works  
10                  at least three consecutive months in a full-time or part-time position at the business.

11                  (1) The credit shall be equal to the following for each eligible youth hired:

12                  (a) One thousand two hundred fifty dollars for hiring an eligible youth in a  
13                  full-time position.

14                  (b) Seven hundred fifty dollars for hiring an eligible youth in a part-time  
15                  position.

16                  (2) The hiring business shall earn a credit equal to the applicable amount  
17                  provided in Paragraph (1) of this Subsection in the year in which the eligible youth  
18                  completes the third consecutive month of work in either a full-time or part-time  
19                  position.

20                  (3) The hiring business shall not terminate an employee or otherwise reduce  
21                  its workforce with the intention of creating a new hire eligible for this credit.

22                  (4) The total amount of tax credits granted by the department in any calendar  
23                  year shall not exceed five million dollars. The department shall by rule establish the  
24                  method of allocating available tax credits to investors including but not limited to a  
25                  first-come, first-served system; reservation of tax credits for a specific time; or other  
26                  method that the department, in its discretion, may find beneficial to the program.

27                  (5) Within sixty days of being hired, each eligible youth shall provide to the  
28                  hiring business proof of age and of meeting one of the eligibility criteria established  
29                  in Subparagraph (B)(2)(d) of this Section.

1                   (6) The hiring business shall submit or maintain proof that each eligible  
2                   youth meets eligibility criteria, as required by the secretary.

3                   D. Application of the Credit. (1)(a) The credit shall be allowed against the  
4                   income or corporation franchise tax due from a taxpayer for the taxable period in  
5                   which the credit is earned. If the tax credit allowed pursuant to this Section exceeds  
6                   the amount of such taxes due from a taxpayer, then the taxpayer may carry forward  
7                   any unused portion as a credit against subsequent tax liability for a period not to  
8                   exceed five years. However, in no event shall the amount of the tax credit applied by  
9                   a taxpayer in a taxable period exceed the amount of such taxes due from the taxpayer  
10                  for that taxable period.

11                  (b) All entities taxed as corporations for Louisiana income tax purposes shall  
12                  claim any credit on their corporation income and franchise tax return.

13                  (c) Individuals, estates, and trusts shall claim their share of any credit on  
14                  their income tax return.

15                  (d) Entities not taxed as corporations shall claim their share of any credit on  
16                  the returns of the partners or members as follows:

17                  (i) Corporate partners or members shall claim their share of any credit on  
18                  their corporation income tax returns.

19                  (ii) Individual partners or members shall claim their share of any credit on  
20                  their individual income tax returns.

21                  (iii) Partners or members that are estates or trusts shall claim their share of  
22                  any credit on their fiduciary income tax returns.

23                  E. Recovery of credits by the department. Credits previously granted to a  
24                  taxpayer, but later disallowed, may be recovered by the secretary through any  
25                  collection remedy authorized by R.S. 47:1561.3.

26                  F. The secretary may promulgate rules in accordance with the Administrative  
27                  Procedure Act to establish the policies and criteria regarding program eligibility and  
28                  any other matter necessary to carry out the intent and purposes of this Section.

1           G. A taxpayer shall not receive any other incentive for the job creation or  
2           hiring of an eligible youth for which the taxpayer has received a tax credit under this  
3           Section.

4           H. No credit shall be earned pursuant to the provisions of this Section after  
5           December 31, 2025.

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7           §6033. Apprenticeship tax credits

8           A. Purpose. The legislature hereby determines that a major impediment to  
9           the economy of the state is the lack of an adequate number of people in the  
10           workforce with sufficient on the job training to find and keep good paying jobs  
11           already present and those that would be here if more of the workforce was of higher  
12           skill level or experience. Further, the legislature finds that a tax credit that provides  
13           an incentive for businesses to employ apprentices will provide a step toward creating  
14           and maintaining such a workforce.

15           B. Definitions.

16           (1) "Department" means the Louisiana Department of Revenue.

17           (2) "Eligible apprentice" means a person who:

18           (a) Has entered into a written apprentice agreement with an employer or an  
19           association of employers pursuant to a registered apprenticeship program as provided  
20           for in Chapter 4 of Title 23 of the Louisiana Revised Statutes of 1950 (R.S. 23:381  
21           et seq.); or

22           (b) Is enrolled in a training program accredited by the National Center for  
23           Construction Education and Research which has no less than four levels of training  
24           and no less than five hundred hours of instruction.

25           C. Administration of the Credit. For taxable periods beginning after  
26           December 31, 2021, there shall be allowed a non-refundable tax credit against  
27           Louisiana income tax or corporation franchise tax for the employment of eligible  
28           apprentices as provided for in this Section.

1           (1) For each eligible apprentice employed for a minimum of two hundred  
2           fifty hours during the taxable period, an employer shall be eligible for a credit equal  
3           to one dollar and twenty-five cents per hour of employment for a maximum credit  
4           of one thousand two hundred fifty dollars per eligible apprentice.

5           (2) The total amount of tax credits granted by the department in any calendar  
6           year shall not exceed two million five hundred thousand dollars. The department  
7           shall establish the method of allocating available tax credits to employers including  
8           but not limited to a first-come, first-served system, reservation of tax credits for a  
9           specific time, or other method that the department, in its discretion, may find  
10          beneficial to the program by rule. If the department does not grant the entire two  
11          million five hundred thousand dollars in tax credits in any calendar year, the amount  
12          of residual unused tax credits shall carry forward to subsequent calendar years and  
13          may be granted in any year without regard to the two million five hundred thousand  
14          dollar per year limitation.

15          (3) The department, in consultation with the Louisiana Workforce  
16          Commission, shall establish by regulation the procedures sufficient to determine the  
17          employer's eligibility for the credit.

18          (4) The Louisiana Workforce Commission shall provide an annual list of  
19          businesses that participate in the apprenticeship programs administered by the  
20          agency to the department.

21          (5) The department shall determine the enrollment and transcript data  
22          required from the National Center for Construction Education and Research for  
23          students enrolled in one of its accredited training programs that is sufficient for the  
24          department to determine the employer's eligibility for the credit authorized by this  
25          Section. However, in order for an employer to be eligible for a credit, a student  
26          enrolled in a training program accredited by the National Center for Construction  
27          Education and Research must have successfully completed no less than two levels  
28          of training and no less than two hundred fifty hours of instruction.

1                    D. Application of the Credit.

2                    (1) The credit shall be allowed against the income or franchise tax due from  
 3                    a taxpayer for the taxable period in which the credit is earned. If the tax credit  
 4                    allowed pursuant to this Section exceeds the amount of such taxes due from a  
 5                    taxpayer, then the taxpayer as a credit may carry any unused credit forward to be  
 6                    applied against subsequent tax liability for a period not to exceed five years.  
 7                    However, in no event shall the amount of the tax credit applied by a taxpayer in a  
 8                    taxable period exceed the amount of such taxes due from the taxpayer for that  
 9                    taxable period.

10                   (2) All entities taxed as corporations for Louisiana income tax purposes shall  
 11                   claim any credit on their corporation income and franchise tax return.

12                   (3) Individuals, estates, and trusts shall claim any credit on their income tax  
 13                   return.

14                   (4) Entities not taxed as corporations shall claim their share of any credit on  
 15                   the returns of the partners or members as follows:

16                   (a) Corporate partners or members shall claim their share of any credit on  
 17                   their corporation income tax returns.

18                   (b) Individual partners or members shall claim their share of any credit on  
 19                   their individual income tax returns.

20                   (c) Partners or members that are estates or trusts shall claim their share of  
 21                   any credit on their fiduciary income tax returns.

22                   E. Recovery of credits by Department of Revenue. Credits previously  
 23                   granted to a taxpayer, but later disallowed, may be recovered by the secretary of the  
 24                   Department of Revenue through any collection remedy authorized by R.S.  
 25                   47:1561.3.

26                   F. The department may promulgate rules in accordance with the  
 27                   Administrative Procedure Act to establish the policies and criteria regarding program  
 28                   eligibility and any other matter necessary to carry out the intent and purposes of this  
 29                   Section.

1                    G. No credit shall be granted for the employment of eligible apprentices  
2                    before January 1, 2022, or after December 31, 2028.

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

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
PRESIDENT OF THE SENATE

\_\_\_\_\_  
GOVERNOR OF THE STATE OF LOUISIANA

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