2023 Regular Session

HOUSE BILL NO. 495

BY REPRESENTATIVE DEVILLIER

TAX/INCOME TAX: Reduces the amount of certain income tax exclusions, exemptions, deductions, and credits

AN ACT

To amend and reenact R.S. 47:51, 158(C) and (D), 227, 246(A), 287.71(B)(2), (3), and (4), 287.73(C)(1) and (4), 287.86(A), 287.664, 287.738(F) and (G), 287.745(B), 287.750(C)(1) and (D), 287.753(C), 287.758(B), 287.759(A) and (C)(3), 297.13(B), 6005(C)(1) and (D), 6006(D)(5), 6006.1(E)(3), 6007(J)(1)(b), (2)(a), and (3)(a), 6008(A), 6013(A), 6014(A), 6015(C)(2) and (D)(1), 6016.1(B)(1)(b) and (E)(5)(b), 6017(A), 6018(C), 6019(A)(1)(a), (c), and (e), 6020(D)(1) and (2)(a), 6022(D)(4), 6023(C)(1)(c), (d), and (e) and (3)(introductory paragraph), 6028(C)(1) and (4), 6032(C) and (F), 6033(C)(1) and (2), 6034(C)(1)(a)(iii)(cc), (c)(ii), and (d)(iii) and (4)(a) and (b), 6036(C)(1)(b) and (I)(2)(a)(i), 6036.1(B)(4), 6042(A)(1)(a) and (b), 6105(A), 6107(A), and 6301(A)(1) and R.S. 51:1787(A)(1)(b) and (2)(a) and (b) and (G), 1924(B)(1), (2), and (3)(a) and (b) and (D)(1), 2354(C), 2399.3(A)(2)(c), and 3085(B)(1)(a) and to repeal R.S. 47:12, 34, 37, 287.748, 287.749, 287.752, 287.755, 6012, 6016, 6021, 6025, 6026, 6030, 6035, 6037, and 6041, relative to income tax incentives; to provide with respect to income tax credits, deductions, exemptions, and exclusions; to reduce the amount of certain income tax credits, deductions, exemptions, and exclusions; to provide for applicability; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

CODING: Words in struck through type are deletions from existing law; words underscored are additions.
Section 1.  R.S. 47:51, 158(C) and (D), 227, 246(A), 287.71(B)(2), (3), and (4), 287.73(C)(1) and (4), 287.86(A), 287.664, 287.738(F) and (G), 287.745(B), 287.750(C), 287.753(C), 287.758(B), 287.759(A) and (C)(3), 297.13(B), 6005(C)(1) and (D), 6006(D)(5), 6006.1(E)(3), 6007(J)(1)(b), (2)(a), and (3)(a), 6008(A), 6013(A), 6014(A), 6015(C)(2) and (D)(1), 6016.1(B)(1)(b) and (E)(5)(b), 6017(A), 6018(C), 6019(A)(1)(a), (c), and (e), 6020(D)(1) and (2)(a), 6022(D)(4), 6023(C)(1)(c), (d), and (e) and (3)(introductory paragraph), 6028(C)(1) and (4), 6032(C) and (F), 6033(C)(1) and (2), 6034(C)(1)(a)(iii)(cc), (c)(ii), and (d)(iii) and (4)(a) and (b), 6036(C)(1)(b) and (I)(2)(a)(i), 6036.1(B)(4), 6042(A)(1)(a) and (b), 6105(A), 6107(A), and 6301(A)(1) are hereby amended and reenacted to read as follows:

§51.  Exclusions from gross income; governmental subsidies

Funds  Fifty percent of funds accrued by a corporation engaged in operating a public transportation system from any federal, state or municipal governmental entity to subsidize the operation and maintenance of such a transportation system shall not be included in gross income and shall be exempt from taxation under this Chapter.  All expenses of operating the transit system incurred by the corporation shall be deductible in arriving at net income.

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§158.  Basis for depletion

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C. Percentage depletion for oil and gas wells.  In the case of oil and gas wells the allowance for depletion under R.S. 47:66 shall be twenty-two eleven percent of the gross income from the property during the taxable year, excluding from such gross income an amount equal to fifty percent of any rents or royalties paid or incurred by the taxpayer in respect of the property.  Such allowance shall not exceed fifty twenty-five percent of the net income of the taxpayer, computed without allowance for depletion, from the property except that in no case shall the depletion allowance under R.S. 47:66 be less than it would be if computed without reference to this Subsection.
D. Percentage depletion for coal and metal mines and sulphur. The allowance for depletion under R.S. 47:66 shall be, in the case of coal mines, five two and one-half percent, in the case of metal mines, fifteen seven and one-half percent, and in the case of sulphur mines or deposits, twenty-three eleven and one-half percent, of the gross income from the property during the taxable year, excluding from such gross income an amount equal to fifty percent of any rents or royalties paid or incurred by the taxpayer in respect of the property. Such allowance shall not exceed fifty twenty-five percent of the net income of the taxpayer, computed without allowance for depletion, from the property. A taxpayer making his first return under this Chapter or under Act 21 of 1934 in respect of a property, shall state whether he elects to have the depletion allowance for such property for the taxable year for which the return is made computed with or without regard to percentage depletion, and the depletion allowance in respect of such property for such year and all succeeding taxable years shall be computed according to the election thus made. If the taxpayer fails to make such statement in the return, the depletion allowance for such property for all taxable years shall be computed without reference to percentage depletion. This Subsection shall not be construed as granting a new election to any taxpayer relative to any property with respect to which he has filed a return under Act 21 of 1934.

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§227. Offset against tax

Every insurance company shall be entitled to an offset against any tax incurred under this Chapter, in the amount of fifty-percent of any taxes, based on premiums, paid by it during the preceding twelve months, by virtue of any law of this state.

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§246. Corporations; deduction from net income from Louisiana sources

A. Subject to the limitations provided herein, there shall be deducted from any net income from Louisiana sources determined under the provisions of R.S.
47:241 of a corporation for any year following the close of the first taxable year
which commenced on or after January 1, 1979, and prior to January 1, 2024, the
amount of net Louisiana loss incurred in a preceding year determined as provided in
Subsection B of this Section. For taxable years beginning on and after January 1,
2024, the amount of the deduction allowed shall be fifty percent of the amount of net
Louisiana loss incurred in a preceding year determined as provided in Subsection B
of this Section.

§287.71. Modifications to federal gross income

B. There shall be subtracted from gross income determined under federal
law, unless already excluded therefrom, the following items:

(2) Funds Fifty percent of funds accrued by a corporation engaged in
operating a public transportation system from any federal, state, or municipal
governmental entity to subsidize the operation and maintenance of such a
transportation system.

(3) Refunds Fifty percent of refunds of Louisiana corporation income tax
received during the taxable year.

(4) Interest Fifty percent of interest on obligations or securities issued by the
state of Louisiana or its political or municipal subdivisions.

§287.73. Modifications to deductions from gross income allowed by federal law

C. Additions. The following items are declared allowable as deductions in
the computation of net income and shall be added to the deductions allowed under
federal law to the extent not already included therein:

(1) Expenses Fifty percent of expenses that would otherwise be deductible
under federal law but for the provisions of 26 U.S.C. 280E, for a licensee of this state
pursuant to Part X-E of Chapter 4 of Title 40 of the Louisiana Revised Statutes of
1950, as amended, related to the production or dispensing of marijuana
recommended for therapeutic use by patients clinically diagnosed as suffering from
a debilitating medical condition as defined in R.S. 40:1046.

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(4) Expenses disallowed by 26 U.S.C. 280C. Expenses Fifty percent of
expenses that would otherwise be deductible under federal law but for the
disallowance provisions of 26 U.S.C. 280C, relative to certain expenses for which
credits are allowable.

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§287.86. Net operating loss deduction

A. Deduction from Louisiana net income. Except as otherwise provided, for
all claims for this deduction on any return filed on or after July 1, 2015, but before
January 1, 2024, regardless of the taxable year to which the return relates, there shall
be allowed for the taxable year a deduction reducing Louisiana net income in an
amount equal to seventy-two percent of the net operating loss carryovers to such
year, but the deduction shall never exceed seventy-two percent of Louisiana net
income. Beginning January 1, 2024, regardless of the taxable year to which the
return relates, the deduction for the taxable year to reduce Louisiana net income shall
equal thirty-six percent of the net operating loss carryovers to the year, but the
deduction shall never exceed thirty-six percent of Louisiana net income.

*          *          *

§287.664. Credits arising from refunds by utilities

Whenever a utility refunds to its customers, pursuant to an order of a court
or regulatory agency as a result of the denial of a proposed rate increase, an amount
or amounts which, if taken as a deduction from gross income in the year paid or
accrued, would result in a net loss, then in lieu of such deduction the utility may elect
to take a credit against its Louisiana income tax in the amount of seventy-two thirty-
six percent of the income tax increase which was the sole result of the inclusion of
the amount or amounts refunded in gross income in the year or years received
irrespective of whether or not the period of limitation provided in R.S. 47:1623 has
expired for the year in which the amount refunded was included in gross income. If
this credit exceeds the income tax that would be due the state of Louisiana in the year
of the refund, computed without the credit, then the excess of this credit may be
carried over the following two taxable years.

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§287.738. Other inclusions and exclusions from gross income

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F. Deduction for interest and dividends.

(1) Effective for taxable years beginning after December 31, 2005, there
There shall be allowed for each taxable year a deduction equal to fifty percent of the
amount of dividends that would otherwise be included in gross income.

(2) Effective for taxable years beginning after December 31, 2005, there
There shall be allowed for each taxable year a deduction equal to fifty percent of the
amount of interest that would otherwise be included in gross income; however, a
corporation may elect to pay tax on interest income from a corporation which is
controlled by the former through ownership of fifty percent or more of the voting
stock of the latter and to use the provisions of R.S. 47:287.93(A)(2).

G. Deduction for hurricane recovery benefits. Any Fifty percent of any
gratuitous grant, loan, or other benefit directly or indirectly provided to a taxpayer
by a hurricane recovery entity as defined in R.S. 47:293 shall be allowed as a
deduction if such benefit was included in federal adjusted gross income.

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§287.745. Deductions from gross income; depletion

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B. In the case of oil and gas wells, the percentage depletion provided for in
Subsection A shall be twenty-two eleven percent of gross income from the property
during the taxable year, excluding from such gross income an amount equal to fifty
percent of any rents or royalties paid or incurred by the taxpayer in respect of the
property. Such allowance shall not exceed fifty twenty-five percent of the net
income of the taxpayer, computed without allowance for depletion, from the
property. In determining net income from the property, federal income taxes shall
be considered an expense.

§287.750. Louisiana work opportunity tax credit

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

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

§287.753. Neighborhood assistance tax credit

C. The division of administration or its successor shall grant a tax credit
against the state corporation income tax as provided in this Section. A tax credit of
up to fifty twenty-five percent of the actual amount contributed may be allowed for
investment in programs approved by the commissioner of administration or his
successor. Such credit for any corporation shall not exceed one hundred eighty
ninety thousand dollars annually. No tax credit shall be granted to any bank, bank
and trust company, insurance company, trust company, national bank, savings
association, or building and loan association for activities that are a part of its normal
course of business. Any tax credit not used in the period the investment was made
may be carried over for the next five succeeding taxable periods until the full credit has been allowed.

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§287.758. Tax credit for bone marrow donor expense

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B. A credit against the taxes otherwise due under this Part for the tax year is allowed to an employer. The amount of the credit is equal to eighteen nine percent of the bone marrow donor expense paid or incurred during the tax year by an employer to provide a program for employees who are potential or who actually become bone marrow donors.

* * *

§287.759. Tax credit for employee and dependent health insurance coverage

A. When any contractor or subcontractor in the letting of any contract for the construction of a public work offers health insurance coverage as provided for in this Section, he shall be eligible for a three one and one-half percent income tax credit on forty percent of the amount of the contract received in a tax year if eighty-five percent of the full-time employees of each contractor are offered health insurance coverage and each such general contractor or subcontractor pays seventy-five percent of the total premium for such health insurance coverage for each full-time employee who chooses to participate and pays not less than fifty percent of the total premium for health insurance coverage for each dependent of the full-time employee who elects to participate in dependent coverage.

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C.

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(3) The credit shall not exceed two million one hundred sixty one million eighty thousand dollars per year.

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§297.13. Tax deduction; employment of certain qualified disabled individuals; requirements; limitations

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B. The amount of the income tax deduction shall be equal to **fifty twenty-five** percent of the gross wages paid to a qualified disabled individual during the individual's first four continuous months of employment and **thirty fifteen** percent of the gross wages paid to the qualified individual with a disability during each subsequent continuous month of employment. The taxpayer shall be entitled to the deduction for each qualified individual with a disability the taxpayer employs each taxable year; however, there shall be no more than one hundred employees for which the deduction is allowed program wide. The Department of Revenue and the Louisiana Department of Health shall approve applications claiming the deduction and may promulgate rules and regulations pursuant to the Administrative Procedure Act in consultation with the Department of Veterans Affairs for the purpose of implementing the provisions of this Section. The Louisiana Department of Health shall maintain records indicating the limit of one hundred employees eligible for this deduction. The rules and regulations may include provisions requiring taxpayers to submit documentation with their returns or to specifically retain records that will enable the department to determine the taxpayer's eligibility for and amount of the tax deduction claimed under this Section. To the extent practicable, the deductions shall be apportioned equitably to employers who are geographically representative of all portions of the state.

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§6005. Qualified new recycling manufacturing or process equipment and service contracts

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C.(1) A taxpayer who purchases qualified new recycling manufacturing or process equipment or qualified service contracts, or both, as defined in this Section and certified by the secretary of the Department of Environmental Quality to be used
or performed exclusively in this state shall be entitled to a credit against any income
and corporation franchise taxes imposed by the state in an amount equal to fourteen
seven percent of the cost of the new recycling manufacturing or process equipment
or qualified service contract, or both, less the amount of any other tax credits
received for the purchase of such equipment or contract, or both.

*  *  *

D. (1) The amount of the credit claimed in the taxable period for which
certification of equipment is received, and the amount of credit claimed therefor in
each taxable period thereafter, shall not exceed twenty percent of the amount of the
total credit allowable. In no case shall the credit claimed exceed fifty percent of the
tax liability which would be otherwise due for that taxable period. Any unused
credit for a taxable year in which a credit is allowed may be carried forward to
subsequent years until the credit is exhausted. Total credits certified by the secretary
of the Department of Environmental Quality in any calendar year shall not exceed
three million six one million eight hundred thousand dollars.

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§6006. Tax credits for local inventory taxes paid

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D. The credit provided in this Section shall be allowed as follows:

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(5) For inventory taxes paid to political subdivisions on or after July 1, 1996,
the credit shall be one hundred fifty percent of such taxes paid.

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§6006.1. Tax credits for taxes paid with respect to vessels in Outer Continental
Shelf Lands Act Waters

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E. The credit provided in this Section shall be allowed as follows:

*  *  *
(3) For ad valorem taxes on Outer Continental Shelf Lands Act Waters vessels paid to political subdivisions on or after July 1, 1996, the credit shall be one hundred fifty percent of such taxes paid.

§6007. Motion picture production tax credit

J. Credit caps, structured pay outs, and project size limitations.

(1) Department of Economic Development program issuance cap.

(b)(i) For applications for state-certified productions and qualified entertainment companies submitted on or after July 1, 2017, through June 30, 2024, the total amount of all tax credits granted in a final certification letter by the department in any fiscal year shall not exceed one hundred fifty million dollars. Twenty percent of the annual program cap shall be reserved as follows: five percent for qualified entertainment companies, five percent for Louisiana screenplay productions, and ten percent for independent film productions. If the total amount of credits applied for in any particular year exceeds the aggregate amount of tax credits allowed for that year, the excess shall be treated as having been applied for on the first day of the subsequent year.

(ii) For applications for state-certified productions and qualified entertainment companies submitted on or after July 1, 2024, the total amount of all tax credits granted in a final certification letter by the department in any fiscal year shall not exceed seventy-five million dollars. Twenty percent of the annual program cap shall be reserved as follows: five percent for qualified entertainment companies, five percent for Louisiana screenplay productions, and ten percent for independent film productions. If the total amount of credits applied for in any particular year exceeds the aggregate amount of tax credits allowed for that year, the excess shall be treated as having been applied for on the first day of the subsequent year.
(2) Department of Revenue taxpayer claim cap.

(a)(i) Beginning July 1, 2017, through June 30, 2024, claims against state income tax allowed on returns for tax credits or transfers of such tax credits, including legacy credits, to the Department of Revenue as provided for in Paragraph (C)(4) of this Section shall be limited to an aggregate total of one hundred eighty million dollars each fiscal year. If less than one hundred eighty million dollars of such tax credits and transfers are allowed in a fiscal year, the remaining amount, plus any amounts remaining from previous fiscal years, shall be added to the one hundred eighty million dollar limit of subsequent fiscal years until that amount of tax credits or tax credit transfers to the Department of Revenue are claimed and allowed.

(ii) Beginning July 1, 2024, claims against state income tax allowed on returns for tax credits or transfers of tax credits, including legacy credits, to the Department of Revenue as provided for in Paragraph (C)(4) of this Section shall be limited to an aggregate total of ninety million dollars each fiscal year. If less than ninety million dollars of tax credits and transfers are allowed in a fiscal year, the remaining amount, plus any amounts remaining from previous fiscal years, shall be added to the ninety million dollar limit of subsequent fiscal years until that amount of tax credits or tax credit transfers to the Department of Revenue are claimed and allowed.

*          *          *

(3) Department of Economic Development individual project issuance cap.

(a) Project-based production tax credit. (i) For applications for state-certified productions submitted on or after July 1, 2017, through June 30, 2024, the maximum amount of credits that may be granted for a single state-certified production shall not exceed twenty million dollars, except for state-certified productions for scripted episodic content that may be granted up to twenty-five million dollars per season.

(ii) For applications for state-certified productions submitted on or after July 1, 2024, the maximum amount of credits that may be granted for a single
state-certified production shall not exceed ten million dollars, except for state-
certified productions for scripted episodic content that may be granted up to twelve
million five hundred thousand dollars per season.

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§6008. Tax credits for donations made to assist playgrounds in economically
depressed areas

A. There shall be allowed a credit against any Louisiana income or
corporation franchise tax for qualified donations made to qualified playgrounds. The
credit shall be an amount equal to the lesser of seven hundred twenty-three hundred
sixty dollars or thirty-six eighteen one hundredths of the value of the cash,
equipment, goods, or services donated. Any such credit shall be taken as a credit
against the applicable tax or taxes only in the taxable period in which the donation
is made. The total amount of the credits taken by any taxpayer during any taxable
year shall not exceed one thousand dollars.

* * *

§6013. Tax credits for donations made to public schools

A. There shall be allowed a credit against the corporate income tax and the
corporation franchise tax for qualified donations made to a public school. The credit
shall be an amount equal to twenty-eight fourteen percent of the appraised value of
the qualified donation. Any such credit shall be taken as a credit against the
corporate income or corporation franchise tax for the taxable year in which the
donation is made. The total of all such credits taken in a taxable year shall not exceed
the total tax liability for that taxable year.

* * *

§6014. Credit for property taxes paid by certain telephone companies; fund

A. Pursuant to the provisions of this Section, there shall be allowed a credit
against Louisiana corporation or individual income taxes and Louisiana corporation
franchise tax for, and in an amount equal to, forty twenty percent of the aggregate
ad valorem taxes paid to political subdivisions of this state after December 31, 2000,
by a telephone company, as defined in R.S. 47:1851(Q), with respect to such the
telephone company's public service properties, as defined in R.S. 47:1851(M), which
are assessed by the Louisiana Tax Commission at twenty-five percent of fair market
value pursuant to R.S. 47:1854.

§6015. Research and development tax credit

C.

(2) The amount of the credit authorized in this Section shall be equal to
either:

(a) Five Two and one-half percent of the difference, if any, of the Louisiana
qualified research expenses for the taxable year minus the base amount, if the
taxpayer is an entity that employs one hundred or more persons.

(b) Ten Five percent of the difference, if any, of the Louisiana qualified
research expenses for the taxable year minus the base amount, if the taxpayer is an
entity that employs fifty to ninety-nine persons.

(c) Thirty fifteen percent of the difference, if any, of the Louisiana qualified
research expenses for the taxable year minus the base amount, if the taxpayer is an
entity that employs less than fifty persons.
§6016.1. Louisiana New Markets Jobs Act; premium tax credit

B. As used in this Section, the following words, terms, and phrases have the meaning ascribed to them unless a different meaning is clearly indicated by the context:

(1)

(b) "Applicable percentage" means fifteen seven and one-half percent for the fourth through sixth credit allowance dates and ten percent for the seventh credit allowance for all qualified equity investments issued on or after August 1, 2020.

E.

(5)

(b) A total of seventy-five thirty-seven million five hundred thousand dollars of qualified equity investment authority shall be available for certification and allocation for applications beginning August 1, 2020. The department shall accept applications beginning on August 1, 2020, for allocation and certification of up to seventy-five thirty seven million five hundred thousand dollars of qualified equity investments.

§6017. Tax credits for certain expenses paid by economic development corporations

A. There shall be allowed a credit against any Louisiana income or corporation franchise taxes for the filing fee paid to the Louisiana State Bond Commission that is incurred by an economic development corporation in the preparation and issuance of bonds, as provided for in Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950. The credit shall be an amount equal to seventy-two thirty-six percent of the amount of the filing fee paid to the Louisiana State Bond Commission.
Commission that is incurred by the corporation in the preparation and issuance of the
bonds.

§6018. Tax credits for purchasers from "PIE contractors"

C. The amount of the credit shall be equal to seventy-two \text{ thirty-six} \ percent
of the state sales and use tax paid by the purchaser on each case or other unit of
apparel during the purchaser's tax year as reflected on the books and records of the
purchaser during his tax year.

§6019. Tax credit; rehabilitation of historic structures

A.(1)(a) There shall be a credit against income and corporation franchise tax
for the amount of eligible costs and expenses incurred during the rehabilitation of a
historic structure located in a downtown development or a cultural district. The
amount of the credit shall equal be as follows:

(i) Twenty-five \text{ twenty-five} \ percent of the eligible costs and expenses of the
rehabilitation incurred prior to January 1, 2018, regardless of the year in which the
property is placed in service.

(ii) Twenty \text{ The amount of the credit shall equal twenty} \ percent of the
eligible costs and expenses of the rehabilitation incurred on or after January 1, 2018,
and before January 1, 2024, January 1, 2024, regardless of the year in which the
property is placed in service.

(iii) Ten percent of the eligible costs and expenses of the rehabilitation
incurred on or after January 1, 2024, and before January 1, 2026, regardless of the
year in which the property is placed in service.

(iv) No credit is authorized pursuant to this Section for expenses incurred on
or after January 1, 2026.

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are additions.
(c) No taxpayer, or any entity affiliated with such a taxpayer, shall claim more than five two million five hundred thousand dollars of credit annually for any number of structures rehabilitated with a particular downtown development or cultural district.

* * *

(e) For State of Louisiana Commercial Rehabilitation Tax Credit Part 2 applications received by the Department of Culture, Recreation and Tourism on or after January 1, 2021, the maximum aggregate total of tax credits that may be reserved by all taxpayers pursuant to the provisions of this Section shall not exceed one hundred twenty-five sixty-two million five hundred thousand dollars annually. If the amount of tax credit reservations issued in a calendar year is less than one hundred twenty-five sixty-two million five hundred thousand dollars, the excess reservation amount shall be available for issuance in any subsequent calendar year. The Department of Culture, Recreation and Tourism shall establish by rule the method of reserving available tax credits including, but not limited to a first-come, first-served system or any other method that the Department of Culture, Recreation and Tourism determines to be beneficial to the program. Rules promulgated pursuant to the provisions of this Subparagraph shall be subject to oversight by the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs. The Department of Revenue and the Department of Culture, Recreation and Tourism shall make reasonable efforts to post a listing of estimated credit amounts remaining under the annual cap on their websites.

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§6020. Angel Investor Tax Credit Program

* * *

D. Tax credits. (1) The total amount of tax credits granted by the department in any calendar year shall not exceed three million six one million eight hundred thousand dollars. The department shall by rule establish the method of allocating available tax credits to investors including but not limited to a first-come,
first-served system, reservation of tax credits for a specific time period, or other
method which the department, in its discretion, may find beneficial to the program.
If the department does not grant the entire three million six one million eight
hundred thousand dollars in tax credits in any calendar year, the amount of residual
unused tax credits shall carry forward to subsequent calendar years and may be
granted in any year without regard to the three million six hundred thousand dollar
per year limitation. After the approval of an investor pool, the department shall issue
a letter identifying the amount of tax credits that are available to that pool; however,
no tax credit shall be granted to an investor until the investment has been made in the
Louisiana Entrepreneurial Business.

(2)(a) An investor may apply for and, if qualified, be granted a credit on any
income or corporation franchise tax liability owed to the state by the taxpayer
seeking to claim the credit in the amount approved by the secretary of the
department. The amount of the tax credit shall be based upon the amount of money
invested by the investor in the Louisiana Entrepreneurial Business, which investment
shall not exceed seven hundred twenty thousand dollars per year per business and
one million four hundred forty thousand dollars total per business. Except as
otherwise provided in Subparagraph (b) of this Paragraph, the credit shall be allowed
against the income tax for the taxable period in which the credit is earned and the
franchise tax for the taxable period following the period in which the credit is earned.
The credits approved by the department shall be granted at the rate of twenty-five
twelve and one-half percent of the amount of the investment with the credit divided
in equal portions for two years.

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§6022. Digital interactive media and software tax credit

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D. Tax credit; specific projects.

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are additions.
(4) For applications for state-certified productions submitted to the office on
or after July 1, 2017, and subsequently approved by the office and secretary, there
are hereby authorized tax credits that shall be earned by a company at the time funds
are expended in Louisiana on a state-certified production as follows:

(a) Credits shall be earned at the rate of eighteen nine percent of the base
investment.

(b) To the extent that base investment is expended on payroll for Louisiana
residents employed in connection with a state-certified production, additional tax
credits shall be earned at the rate of seven three and one-half percent of the payroll.

§6023. Sound recording investor tax credit

C. Investor tax credit; state-certified productions.

(1) There is hereby authorized a credit against the state income tax for
investments made in state-certified productions. The tax credit shall be earned by
investors at the time expenditures are certified by the Louisiana Department of
Economic Development according to the total base investment certified for the sound
recording production company per calendar year; however, no credit shall be allowed
under this Section for any expenditures for which a credit was granted under R.S.
47:6007, 6022, or 6034.

(c)(i) Project-based production credit. For applications for state-certified
productions received on or after July 1, 2017, but before July 1, 2024, each investor
shall be allowed a tax credit of eighteen percent of the base investment made by that
investor in excess of twenty-five thousand dollars. However, if the investor who is
applying for the tax credit is a Louisiana resident, the eighteen percent tax credit
shall be allowed on base investments which exceed ten thousand dollars.

(ii) For applications for state-certified productions received on or after July
1, 2024, each investor shall be allowed a tax credit of nine percent of the base

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are additions.
investment made by that investor in excess of twenty-five thousand dollars.

However, if the investor who is applying for the tax credit is a Louisiana resident, the nine percent tax credit shall be allowed on base investments which exceed ten thousand dollars.

(d)(i) Company-based QMC payroll credit. For applications for Qualified Music Companies received on or after July 1, 2017, but before July 1, 2024, or for applications for Qualified Music Companies that have been submitted but that have not received final certification by July 1, 2019, to the extent that base investment is expended on payroll for Louisiana residents in connection with a QMC, tax credits shall be earned at the following rates:

(i) (aa) Tier 1. A payroll credit of ten percent shall be earned for each new job whose QMC payroll is equal to or greater than thirty-five thousand dollars per year, up to sixty-six thousand dollars per year.

(ii) (bb) Tier 2. A payroll credit of fifteen percent shall be earned for each new job whose QMC payroll is equal to or greater than sixty-six thousand dollars per year, but no greater than two hundred thousand dollars per year.

(ii) For applications for Qualified Music Companies received on or after July 1, 2024, to the extent that base investment is expended on payroll for Louisiana residents in connection with a QMC, tax credits shall be earned at the following rates:

(aa) Tier 1. A payroll credit of five percent shall be earned for each new job whose QMC payroll is equal to or greater than thirty-five thousand dollars per year, up to sixty-six thousand dollars per year.

(bb) Tier 2. A payroll credit of seven and one-half percent shall be earned for each new job whose QMC payroll is equal to or greater than sixty-six thousand dollars per year, but no greater than two hundred thousand dollars per year.

(e) Resident copyright credit. To the extent that the base investment by a QMC is expended on a sound recording production of a resident copyright, the
investor shall be allowed an additional ten five percent increase in the base investment rate.

(3) Except as otherwise provided in this Paragraph, the aggregate amount of credits certified for all investors pursuant to this Section during any calendar year shall not exceed two million one hundred sixty one million eighty thousand dollars. However, fifty percent of the aggregate amount of credits certified each year shall be reserved for QMCs. No more than one hundred fifty thousand dollars in tax credits may be granted per project, per calendar year.

§6028. Louisiana Youth Jobs Tax Credit Program

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

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

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

(b) Seven hundred fifty Three hundred seventy-five dollars for hiring an eligible youth in a part-time position.

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

§6032. Tax credit for certain milk producers

* * *

C. Each qualifying taxpayer is eligible for tax credits based on the production and sale of milk below the announced production price over a calendar year in accordance with the following schedule:

<table>
<thead>
<tr>
<th>Amount of Milk Produced:</th>
<th>Amount of Tax Credit:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 1,000,000 pounds</td>
<td>$3,600 $ 1,800</td>
</tr>
<tr>
<td>1,000,001 to 1,500,000 pounds</td>
<td>$7,200 $ 3,600</td>
</tr>
<tr>
<td>1,500,001 to 2,000,000 pounds</td>
<td>$10,800 $ 5,400</td>
</tr>
<tr>
<td>2,000,001 to 2,500,000 pounds</td>
<td>$14,400 $ 7,200</td>
</tr>
<tr>
<td>2,500,001 to 3,000,000 pounds</td>
<td>$18,000 $ 9,000</td>
</tr>
<tr>
<td>3,000,001 pounds and above</td>
<td>$21,600 $ 10,800</td>
</tr>
</tbody>
</table>

* * *

F. The credit allowed for each producer pursuant to this Section shall not exceed twenty-one thousand six hundred dollars per calendar year. The total aggregate amount of tax credits for all producers provided for under this Section shall be capped at one million eight nine hundred thousand dollars per calendar year.

§6033. Apprenticeship tax credits

* * *

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

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

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

§6034. Musical and theatrical production income tax credit

C. Income tax credits for state-certified productions and state-certified
musical or theatrical facility infrastructure projects:

(1) There is hereby authorized the following types of credits against the state
income tax:

(a)

(iii)

(cc) For state-certified projects that receive initial certification on or after
July 1, 2017, and except as limited for state-certified infrastructure projects as
provided for in this Subparagraph, the base investment credit shall be for the
following amounts:
(I) If the total base investment is greater than one hundred thousand dollars and less than or equal to three hundred thousand dollars, a company shall be allowed a tax credit of seven three and one-half percent of the base investment made by that company.

(II) If the total base investment is greater than three hundred thousand dollars and less than or equal to one million dollars, a company shall be allowed a tax credit of fourteen seven percent of the base investment made by that company.

(III) If the total base investment is greater than one million dollars, a company shall be allowed a tax credit of eighteen nine percent of the base investment made by that company.

*          *          *

(ii) For state-certified musical or theatrical productions that receive an initial certification on or after July 1, 2015, an additional tax credit of seventy-two thousandths one-half of one percent of the amount expended to employ students enrolled in Louisiana colleges, universities, and vocational-technical schools in a state-certified musical or theatrical production in arts-related positions, such as an actor, writer, producer, stagehand, or director, or as a technician working on aspects of the production such as lighting, sound, and actual stage work, or working indirectly on the production in accounting, law, management, and marketing.

(d)

*          *          *

(iii) To the extent that base investment is expended on payroll for Louisiana residents employed in connection with a state-certified musical or theatrical production that receives initial certification on or after July 1, 2017, except for the students provided for in Subparagraph (c) of this Paragraph, or the construction of a state-certified higher education musical or theatrical facility infrastructure project, a company shall be allowed an additional tax credit of seven three and one-half percent of the base investment made by that company.

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percent of such payroll; however, if the amount paid to any one person exceeds one
million dollars, the additional credit shall not include any amount paid to that person
that exceeds one million dollars.

*          *          *

(4)(a) Beginning July 1, 2017, the total amount of tax credits granted by the
department in any fiscal year shall not exceed ten five million dollars.

(b) For applications received on or after July 1, 2017, no more than one
million five hundred thousand dollars in tax credits shall be granted per project.

*          *          *

§6036. Ports of Louisiana tax credits

*          *          *

C. Investor tax credit.

(1)

*          *          *

(b) The investor tax credit provided for in this Subsection shall be granted
by the Department of Economic Development for a qualifying project if the
commissioner of administration, after approval of the Joint Legislative Committee
on the Budget certifies to the secretary of the department that securing the project
will result in a significant positive economic benefit to the state. "Significant
positive economic benefit" means net positive tax revenue that shall be determined
by taking into account direct, indirect, and induced impacts of the project based on
a standard economic impact methodology utilized by the commissioner, and the
value of the credit, and any other state tax and financial incentives that are used by
the department to secure the project. If the commissioner with the approval of the
committee so certifies, then the Department of Economic Development may grant
a tax credit equal to seventy-two thirty-six percent of the total capital costs of such
qualifying project to be taken at five two and one-half percent per tax year or shall
grant such other amount of tax credit to be taken at such other percentage which is
warranted by the significant positive economic benefit determined by the
commissioner, but no tax credit granted for a qualifying project shall exceed one
million eight nine hundred thousand dollars per tax year. However, the total amount
of tax credits granted on a qualifying project shall not exceed fifty percent of the
total cost of the project. In addition, the investor tax credits granted by the
department to any recipient pursuant to this Section shall be limited to an amount
which shall not result in a reduction of tax liability by all recipients of such credits
to exceed four two million five two hundred fifty thousand dollars in any fiscal year.

*          *          *

I. Import-export cargo tax credit.

*          *          *

(2)(a)(i) For taxable years beginning on and after January 1, 2014, there shall
be allowed a credit against the individual income, corporation income, and
corporation franchise tax liability of a taxpayer who has received certification
pursuant to the provisions of Paragraph (1) of this Subsection, provided that the
credit shall be allowed only against the tax liability of the international business
entity which receives the certification. The amount of the credit shall be equal to the
product of multiplying three dollars and sixty one dollar and eighty cents by the
taxpayer's number of tons of qualified cargo for the taxable year which exceeds the
pre-certification tonnage or the product of multiplying the number of dollars by the
taxpayer's number of tons of qualified cargo for the taxable year or portion of a
taxable year which exceeds the pre-certification tonnage which is warranted by the
significant positive economic benefit determined by the commissioner pursuant to
Item (ii) of this Subparagraph, whichever is less. For purposes of this Item, "pre-
certification tonnage" means the number of tons of cargo which meets the definition
of qualified cargo for purposes of this credit, and which was owned by the
international business entity receiving the credit, were imported or exported to or
from a manufacturing, fabrication, assembly, distribution, processing, or warehouse
facility located in Louisiana, and which were so moved by way of an oceangoing
vessel berthed at public port facilities in Louisiana during the calendar year prior to
the year in which the application is submitted. However, each tax credit granted to
a taxpayer shall be subject to the same limit as is provided for a qualifying project
pursuant to Subparagraph (C)(1)(b) of this Section. In addition, the import-export
cargo tax credits granted by the department to any recipient pursuant to this Section
shall be limited to an amount which shall not result in a reduction of tax liability by
all recipients of such credits to exceed four two million five two hundred fifty
thousand dollars in any fiscal year.

§6036.1. Louisiana Import Tax Credit

B. Definitions. For purposes of this Section, the following words and phrases
shall have the following meanings unless the context clearly indicates otherwise:

(4) "Port credit" shall mean a one-time tax credit of up to fifty twenty-five
dollars per TEU of cargo imported through a Louisiana public port, or up to one
hundred fifty dollars per TEU of cargo imported through a Louisiana public port if
entering into a project agreement with the state, that may be applied against
Louisiana income tax liability, as set forth in Subsection G of this Section.

§6042. Credits; qualifying foster care charitable organizations

A.(1)(a) There shall be allowed a nonrefundable income tax credit for
donations a Louisiana taxpayer makes during a taxable year to a qualifying foster
care charitable organization. The amount of the credit shall be equal to fifty percent
of the actual amount of the donation used by the foster care organization to provide
services to qualified individuals, or fifty twenty-five thousand dollars, whichever is
less.

(b) The total amount of credits granted by the department pursuant to the
provisions of this Section shall not exceed five hundred two hundred fifty thousand
dollars per calendar year. The granting of credits shall be on a first-come,
first-served basis. If the total amount of credits claimed in any particular calendar
year exceeds the amount of tax credits authorized for that year, the excess shall be
treated as having been applied for on the first day of the subsequent year. All
requests received on the same business day shall be treated as received at the same
time, and if the aggregate amount of the requests received on a single business day
exceeds the total amount of available tax credits, tax credits shall be approved on a
pro rata basis.

*   *   *
§6105. Child care provider tax credit

A. There shall be a credit against any Louisiana individual or corporation
income tax or corporation franchise tax for a child care provider refundable as
provided for in R.S. 47:6108. The tax credit shall be an amount based upon the
average monthly number of children who either participate in the Child Care
Assistance Program administered by the office of children and family services in the
Department of Children and Family Services or who are foster children in the
custody of the Department of Children and Family Services, and who are attending
a child care facility or facilities operated by the child care provider, multiplied by an
amount which shall be based upon the quality rating of each child care facility
operated by the child care provider as follows:

Quality Rating of Child Care Facility Tax Credit Per Eligible Child Attending

<table>
<thead>
<tr>
<th>Rating</th>
<th>Tax Credit</th>
<th>Quality Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five star</td>
<td>$1,500</td>
<td>$  750</td>
</tr>
<tr>
<td>Four star</td>
<td>$1,250</td>
<td>$  625</td>
</tr>
<tr>
<td>Three star</td>
<td>$1,000</td>
<td>$  500</td>
</tr>
<tr>
<td>Two star</td>
<td>$  750</td>
<td>$  375</td>
</tr>
<tr>
<td>One star or nonparticipating facility</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

*   *   *
§6107. Business-supported child care

A.(1) There shall be a refundable credit against any Louisiana individual or
corporation income tax or corporation franchise tax for the eligible business child
care expenses supported by a business. The credit shall be the following percentages of such eligible business child care expenses depending upon the quality rating of the child care facility to which the expenses are related or the quality rating of the child care facility the child attends:

<table>
<thead>
<tr>
<th>Quality Rating of Child Care Facility</th>
<th>Percentage of eligible business child care expenses</th>
</tr>
</thead>
</table>
| Five star                            | 20%  
| Four star                            | 15%  
| Three star                           | 10%  
| Two star                             | 5%   
| One star or nonparticipating facility | 0     |

(2) There shall be an additional refundable credit against any Louisiana individual or corporation income tax or corporation franchise tax for the payment by a business of fees and grants to child care resource and referral agencies not to exceed five thousand five hundred dollars per tax year.

§6301. Credit; donations to school tuition organizations

A.(1) For donations made on or after January 1, 2018, there shall be allowed a nonrefundable income tax credit for donations a taxpayer makes during a taxable year to a school tuition organization that provides scholarships to qualified students to attend a qualified school. In order to qualify for the credit, the donation shall be made by a taxpayer who is required to file a Louisiana income tax return. The amount of the credit shall be equal to fifty percent of the actual amount of the taxpayer's donation used by a school tuition organization to fund a scholarship to a qualified student, which shall not include administrative costs.
§1787. Enterprise zone incentives

A. The board, after consultation with the secretaries of the Department of Economic Development and Department of Revenue, and with the approval of the governor, may enter into contracts not to exceed five years to provide:

(1) For either:

*   *   *

(b) A refundable investment income tax credit equal to one and one-half seventy-five hundredths percent of the amount of qualified expenditures. For purposes of this Paragraph, the term "qualified expenditures" shall mean amounts classified as capital expenditures for federal income tax purposes plus exclusions from capitalization provided for in Internal Revenue Code Section 263(a)(1)(A) through (L), minus the capitalized cost of land, capitalized leases of land, capitalized interest, capitalized costs of manufacturing machinery and equipment to the extent the capitalized manufacturing machinery and equipment costs are excluded from sales and use tax pursuant to R.S. 47:301(3), and the capitalized cost for the purchase of an existing building. When a taxpayer purchases an existing building and capital expenditures are used to rehabilitate the building, the costs of the rehabilitation only shall be considered qualified expenditures. Additionally, a taxpayer shall be allowed to increase their qualified expenditures to the extent a taxpayer's capitalized basis is properly reduced by claiming a federal credit. A taxpayer earns the investment tax credit in the year in which the project is placed in service, but the taxpayer may not claim the investment tax credit until the Department of Economic Development signs the project completion report or such other time as provided for by rule or regulation. The project completion report for the refundable investment tax credit shall adhere to the same requirements found in Subparagraph (a) for the sales and use tax rebate.

*   *   *

(2)(a) Except as provided in Subparagraph (b) of this Paragraph, for a two thousand five hundred one thousand two hundred fifty dollar tax credit per net new employee as determined by the company's average annual employment reported

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under the Louisiana Employment Security Law during the taxable year for which credit is claimed. For projects for which the advance notification form is filed on or after April 1, 2016, the amount of the credit provided for in this Subparagraph shall be one thousand five hundred dollars per net new employee, unless either the net new employee for which the credit is claimed was receiving Supplemental Nutrition Assistance Program (SNAP), Women, Infants, and Children (WIC), Medicaid, unemployment benefits, or any other benefits from a similar public assistance program, as provided for in rule by the Department of Economic Development, during the six-month period prior to employment or the net new employee is hired by a participating business located in an enterprise zone. The amount of the credit for each net new employee meeting these qualifications shall be three thousand five hundred dollars. This tax credit may be applied to any state income tax liability or any state corporate franchise tax liability, but not liabilities for penalty or interest, due or outstanding at the time the credit is generated. However, credits may be applied to a due or outstanding tax liability attributable to tax years prior to the year in which the credit is generated only if the tax liability is the result of an assessment, administrative, or judicial proceeding by the Department of Revenue after an audit, provided that no further interest or penalty shall be accrued on such tax liability after the credit is generated. If the entire credit cannot be used in the year claimed, the remainder may be applied against the income tax or corporate franchise tax for the succeeding ten taxable years or until the entire credit is used, whichever occurs first. These credits shall also apply to those tax liabilities, but not liabilities for penalty or interest, identified in tax years where existing contracts generate the credit.

(b) In lieu of the tax credit provided in Subparagraph (a) of this Paragraph, for aviation or aerospace industries as defined in North American Industry Classification System (NAICS) Code 336411, 336412, 336413, and 332912, for a five two thousand five hundred dollar tax credit for each new job created. This tax credit may be applied to any state income tax liability or any state franchise tax

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liability within a ten-year period from the date that the contract becomes effective
or until the entire credit is used, whichever occurs first.

* * *

G. The board, after consultation with the secretaries of the Department of
Economic Development and the Department of Revenue, and with the approval of
the governor, may enter into agreements with employers located in either urban or
rural enterprise zones or in economic development zones under which employers
may receive a two-year tax credit for a total of two thousand five hundred one
thousand two hundred fifty dollars for each FITAP participant who is employed full
time for a period of not less than two years for compensation which will disqualify
such person from continued participation in the FITAP program. This tax credit may
be applied to any state income tax liability or any state franchise tax liability and
shall be used for the taxable year in which the increase in average annual
employment occurred. However, an employee shall be limited to two years
participation under the program. No employer shall obtain a credit for more than ten
employees in the first year of participation in the program authorized by this Section.
Employers shall be eligible for tax credits under the program for ten years.

* * *

§1924. Income tax credit or premium tax reduction

* * *

B.(1) The income tax credit shall be calculated by the commissioner as
thirty-five seventeen and one-half percent of the person's cash investment in the
certified capital of a certified Louisiana capital company.

(2) The total income tax credits granted in any calendar year shall not result
in an additional reduction of total income tax revenues of greater than two one
million dollars.

(3) During any calendar year in which this Subsection will limit the amount
of certified capital for which income tax credits are allowed, certified capital for
which income tax credits are allowed will be allocated among certified Louisiana
capital company groups. Requests for allocation shall be prepared for filing not later than December first on a form prescribed by the commissioner, which form shall include an affidavit by the person pursuant to which such person shall become legally bound and irrevocably committed to make an investment of certified capital in a certified Louisiana capital company subject only to receipt of an allocation pursuant to this Subsection. Any requests for allocation filed with the commissioner before December first of any calendar year shall be deemed to have been filed on December first of such year. Requests for allocation shall be allocated as follows:

(a) When aggregate requests for allocation by certified Louisiana capital company groups do not exceed five million seven hundred fourteen thousand two hundred eighty-five two million eight hundred fifty-seven thousand one hundred forty-three dollars, all requests for allocations shall be approved by the commissioner.

(b) When aggregate requests for allocation exceed five million seven hundred fourteen thousand two hundred eighty-five two million eight hundred fifty-seven thousand one hundred forty-three dollars, each certified Louisiana capital company group shall be entitled to receive an allocation to be calculated by dividing five million seven hundred fourteen thousand two hundred eighty-five two million eight hundred fifty-seven thousand one hundred forty-three dollars by the number of certified Louisiana capital company groups requesting allocations. In the event that this allocation results in one or more certified Louisiana capital groups receiving an allocation in excess of the amount which was requested, such excess shall be reallocated to the remaining certified Louisiana capital groups on an equal basis until the entirety of the allocation has been fully distributed.

* * *

D.(1) The total insurance premium tax credits granted pursuant to R.S. 22:832(E) in any calendar year shall not result in an additional reduction of total
premium tax revenues of greater than five two million five hundred thousand dollars per year.

§2354. Technology commercialization credit; amount; duration; forfeit

C. For applications for the technology commercialization credit approved on or after July 1, 2017, the following shall apply:

(1) Except as provided in Paragraph (2) of this Subsection, the taxpayer may earn and apply for and, if qualified, be granted a refundable tax credit which may be applied to any income or corporation franchise tax liability owed to the state by the taxpayer seeking to claim the credit, equal in value to twenty-nine fourteen and one-half percent of the amount of money invested by the taxpayer applicant in commercialization costs for one business location meeting the requirements of R.S. 51:2353(C)(1) and (2) as certified by the Department of Economic Development.

(2) A tax credit granted pursuant to this Part shall expire and have no value or effect on tax liability beginning with the twenty-first tax year after the tax year in which it was originally earned, applied for, and granted. An applicant that meets the requirements of R.S. 51:2353 and is approved by the Department of Economic Development may receive a refundable tax credit based on new jobs for the period of time approved which shall be equal to four two percent multiplied by the gross payroll of new direct jobs meeting the requirements of R.S. 51:2353(C)(3) and (4) as certified by the Department of Economic Development.

§2399.3. Modernization tax credit

A.

(2)

(c) For credits approved on and after July 1, 2017, the following shall apply:
(i) The credits approved by the department shall be granted at the rate of four percent of the amount of qualified expenditures incurred by the employer for modernization with the credit divided in equal portions for five years, subject to the limitations provided for in other Paragraphs of this Subsection.

(ii) The total amount of modernization tax credits granted by the Department of Economic Development in any calendar year shall not exceed seven million two three million six hundred thousand dollars irrespective of the year in which claimed. The department shall by rule establish the method of allocating available tax credits to applicants, including but not limited to a first-come, first-served system, reservation of tax credits for a specified time period, or other method which the department, in its discretion, may find beneficial to the program. In the event that the total amount of credits granted in any calendar year is less than seven three million two six hundred thousand dollars, any residual amount of unused credits shall carry forward for use in subsequent years and may be granted in addition to the seven million two hundred thousand dollar limit for each year.

§3085. Tax credit

B.(1)(a) The tax credit shall be calculated by the commissioner as fifty-four twenty-seven percent of the person's investment for the purposes of earning tax credits.

Section 3. R.S. 47:12, 34, 37, 287.748, 287.749, 287.752, 287.755, 6012, 6016, 6021, 6025, 6026, 6030, 6035, 6037, and 6041 are hereby repealed in their entirety.

Section 4. The provisions of this Act shall be applicable to taxable periods beginning on or after January 1, 2024.

Section 5. This Act shall become effective on January 1, 2024.
HB 495 Original 2023 Regular Session DeVillier

Abstract: Reduces the amount of certain income tax credits, deductions, exemptions, and exclusions by 50%.

Present law requires that the tax to be assessed, levied, collected, and paid on the La. taxable income of every corporation to be computed at the following rates:

1. 3.5% on the first $50,000 of La. taxable income.
2. 5.5% on La. taxable income above $50,000 but not in excess of $150,000.
3. 7.5% on La. taxable income above $150,000.

Present law includes various tax incentives in the form of credits, deductions, exemptions, and exclusions which reduce a taxpayer's overall tax liability.

Proposed law retains present law but reduces the amount of the following tax credits, deductions, exemptions, and exclusions established in present law by 50%:

1. Exclusion for corporations operating a public transportation system. (R.S. 47:51)
2. Deduction for depletion for oil and gas wells. (R.S. 47:158(C))
3. Deduction for depletion for coal and metal mines and sulphur. (R.S. 47:158(D))
4. Credit for insurance companies to offset premium taxes paid. (R.S. 47:227)
5. Deduction from net income from La. sources. (R.S. 47:246(A))
6. Exclusion for funds accrued by corporations operating a public transportation system. (R.S. 47:287.71(B)(2))
7. Exclusion for refunds of La. corporation income tax received during a taxable year. (R.S. 47:287.71(B)(3))
8. Exclusion for interest on obligations or securities issued by the state or political subdivisions. (R.S. 47:287.71(B)(4))
9. Deduction for certain expenses that would otherwise be deductible under federal law but for an exception under federal law for a state licensee dispensing therapeutic marijuana. (R.S. 47:287.73(C)(1))
10. Deduction for certain disallowed expenses that would otherwise be deductible under federal law relative to expenses for which credits are allowed. (R.S. 47:287.73(C)(4))
11. Deduction for net operating losses. (R.S. 47:287.86(A))
12. Credit for refunds by utilities. (R.S. 47:287.664)
13. Deduction for interest and dividends. (R.S. 47:287.738(F))
(14) Deduction for hurricane recovery benefits. (R.S. 47:287.738(G))
(15) Deduction for cost depletion for oil and gas wells. (R.S. 47:287.745(B))
(16) La. work opportunity tax credit. (R.S. 47:287.750(K))
(17) Credit for neighborhood assistance, job training and education. (R.S. 47:287.753(C))
(18) Credit for development of an employee bone marrow donation program. (R.S. 47:287.758(B))
(19) Credit for contractors offering health insurance coverage to employees when letting public work contracts. (R.S. 47:287.759(A) and (C)(3))
(20) Deduction for employing qualified disabled individuals. (R.S. 47:297.13)
(21) Credit for qualified new recycling manufacturing or process equipment and service contracts. (R.S. 47:6005(C)(1) and (D)(1))
(22) Credit for ad valorem taxes paid on inventory. (R.S. 47:6006(D)(5))
(23) Credit for ad valorem taxes paid for vessels on Outer Continental Shelf Act Waters. (R.S. 47:6006.1(E)(3))
(24) Credit for motion picture productions. (R.S. 47:6007(J)(1)(b), (2)(a), and (3)(a))
(25) Credit for donations to assist playgrounds in economically depressed areas. (R.S. 47:6008(A))
(26) Credit for donations of immovable property made to public schools. (R.S. 47:6013(A)).
(27) Credit for ad valorem taxes paid by telephone companies. (R.S. 47:6014(A))
(28) Credit for research and development expenses and grants awarded by the federal Small Business Technology Transfer Program or a Small Business Innovation Research Grant. (R.S. 47:6015(C)(2) and (D)(1))
(29) Credit pursuant to the La. New Markets Jobs Act. (R.S. 47:6016.1(B)(1)(b) and (E)(5)(b))
(30) Credit for expenses paid by economic development corporations. (R.S. 47:6017(A))
(31) Credit for purchases of specialty apparel items from businesses which utilize inmate labor. (R.S. 47:6018(C))
(32) Credit for expenses associated with the rehabilitation of historic structures located in downtown development or cultural districts. (R.S. 47:6019(A)(1)(a), (c), and (e))
(33) Credit issued pursuant to the Angel Investor Tax Credit Program. (R.S. 47:6020(D)(1) and (2)(a))
(34) Credit for digital interactive media and software productions. (R.S. 47:6022(D)(4))
(35) Credit for sound recording investors. (R.S. 47:6023(C)(1)(c), (d), and (e) and (3)(intro. para.)
(36) Louisiana Youth Jobs tax credit program. (R.S. 47:6028(C)(1) and (4))
Credit for milk producers. (R.S. 47:6032(C) and (F))

Apprenticeship tax credits. (R.S. 47:6033(C)(1) and (2))

Musical and theatrical production tax credit. (R.S. 47:6034(C)(1)(a)(iii)(c), (c)(ii), and (d)(iii) and (4)(a) and (b))

Credit for conversion of vehicles to alternative fuel usage. (R.S. 47:6035(C)(1) and (D))

Ports of La. tax credits. (R.S. 47:6036(C)(1)(b) and (I)(2)(a)(i))

La. Import tax credit. (R.S. 47:6036.1(B)(4))

Tax credits for qualifying foster care charitable organizations. (R.S. 47:6042(A)(1)(a) and (b))

Credit for School Readiness Program child care providers. (R.S. 47:6105(A))

Credit for School Readiness Program business-supported child care expenses. (R.S. 47:6107(A))

Credit for donations to school tuition organizations. (R.S. 47:6301(A)(1))

Credits for enterprise zone incentives. (R.S. 51:1787(A)(1)(b) and (2)(a) and (b) and (G))

Credit pursuant to the La. Capital Companies Tax Credit Program. (R.S. 51:1924(B)(1), (2), and (3)(a) and (b) and (D)(1) and (2))

Credit for technology commercialization costs. (R.S. 51:2354(C))

Credits pursuant to the Retention and Modernization Act. (R.S. 51:2399.3(A)(2)(c))

Credits pursuant to the La. Community Development Financial Institution Act. (R.S. 51:3085(B)(1)(a))

Proposed law repeals the following terminated or inapplicable credits:

1. Credit for low-income housing. (R.S. 47:12)

2. Credit for the generation of new full-time and part-time jobs in La. (R.S. 47:34 and 287.749)

3. Credit for contributions to educational institutions. (R.S. 47:37 and 287.755)

4. Credit for employment of re-entranst convicted of a felony. (R.S. 47:287.748)

5. Credit for employment of first-time nonviolent offenders. (R.S. 47:287.752)

6. Credit for the donation of materials and equipment to public training providers and other educational schools and programs. (R.S. 47:6012)

7. Credit issued for qualified equity investments in disadvantaged areas of the state pursuant to the New Markets Tax Credit Program. (R.S. 47:6016)

8. Credit to encourage the cleanup, redevelopment, and productive reuse of brownfields sites in La. (R.S. 47:6021)
(9) Credit for the La. Citizens Property Insurance Corp. assessment. (R.S. 47:6025)

(10) Credit for heritage-based cottage industries located in the Cane River Heritage Area Development Zone. (R.S. 47:6026)

(11) Credit for the purchase and installation of a solar energy system or for the lease of a system. (R.S. 47:6030)

(12) Credit for conversion of vehicles to alternative fuel. (R.S. 47:6035)

(13) Credit for energy efficiency and renewable energy industries. (R.S. 47:6037)

(14) Credit for restaurants and bars affected by the COVID-19 pandemic. (R.S. 47:6041)

Applicable to taxable periods beginning on or after Jan. 1, 2024.

Effective Jan. 1, 2024.

(Amends R.S. 47:51, 158(C) and (D), 227, 246(A), 287.71(B)(2), (3), and (4), 287.73(C)(1) and (4), 287.86(A), 287.664, 287.738(F) and (G), 287.745(B), 287.750(C), 287.753(C), 287.758(B), 287.759(A) and (C)(3), 297.13(B), 6005(C)(1) and (D), 6006(D)(5), 6006.1(E)(3), 6007(J)(1)(b), (2)(a), and (3)(a), 6008(A), 6013(A), 6014(A), 6015(C)(2) and (D)(1), 6016.1(B)(1)(b) and (E)(5)(b), 6017(A), 6018(C), 6019(A)(1)(a), (c), and (e), 6020(D)(1) and (2)(a), 6022(D)(4), 6023(C)(1)(c), (d), and (e) and (3)(intro. para.), 6024(C)(1) and (4), 6026(C) and (F), 6033(C)(1) and (2), 6034(C)(1)(a)(iii)(cc), (c)(ii), and (d)(iii) and (4)(a) and (b), 6036(C)(1)(b) and (l)(2)(a)(i), 6036.1(B)(4), 6042(A)(1)(a) and (b), 6105(A), 6107(A), and 6301(A)(1) and R.S. 51:1787(A)(1)(b) and (2)(a) and (b) and (G), 1924(B)(1), (2), and (3)(a) and (b) and (D)(1), 2354(C), 2399.3(A)(2)(c), and 3085(B)(1)(a); Repeals R.S. 47:12, 34, 37, 287.748, 287.749, 287.752, 287.755, 6012, 6016, 6021, 6025, 6026, 6030, 6035, 6037, and 6041)