

2023 Regular Session

HOUSE BILL NO. 626

BY REPRESENTATIVE LYONS

TAX/INCOME-INDIV/CREDIT: Establishes a tax credit for workers who commute to out-of-state sites for certain jobs that had formerly been located in Louisiana

1 AN ACT

2 To enact R.S. 47:297.23, relative to individual income tax credits; to establish an income tax
3 credit for certain resident taxpayers whose jobs are relocated to out-of-state
4 locations; to establish the credit as a refundable credit; to provide for the amount of
5 the credit; to provide for definitions, requirements, and limitations with respect to the
6 credit; to authorize promulgation of administrative rules; to provide for applicability;
7 and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:297.23 is hereby enacted to read as follows:

10 §297.23. Tax credit; workers employed in certain relocated jobs

11 A. There shall be allowed a refundable credit against the tax imposed by this
12 Chapter for resident individuals employed in relocated jobs as defined in Subsection
13 B of this Section. The amount of the credit shall be equal to the annual total of
14 transportation expenses incurred by the individual in commuting to and from his
15 relocated job or five thousand dollars, whichever is less. The credit shall be claimed
16 in the year in which the individual incurred such transportation expenses.

17 B.(1) For purposes of this Section, "relocated job" means an individual's
18 paid, full-time position with an employer, or a successor of the employer, which
19 position meets all of the following qualifications:

1 (a) The position is with an employer that engages in activities classified
2 within Sector 31-33 (manufacturing) of the North American Industry Classification
3 System published by the United States Bureau of the Census.

4 (b) The site to which the individual regularly reported for duties of the
5 position was formerly located in this state.

6 (c) The site to which the individual, in order to maintain incumbency in the
7 position, is required to regularly report for duties of the position was relocated to a
8 location outside of this state.

9 (d) The individual regularly commutes on a daily basis to and from the out-
10 of-state location to which he is required to report for duties of the position.

11 (2) In addition to a position described by the qualifications provided in
12 Paragraph (1) of this Subsection, "relocated job" shall also mean any other position
13 in an out-of-state location in which an individual subsequently becomes employed
14 with the same employer, while maintaining continuous employment with that
15 employer, after the relocation of his position as described in Subparagraph (1)(b) of
16 this Subsection.

17 C. If the amount of the credit authorized pursuant to the provisions of this
18 Section exceeds the amount of the taxpayer's tax liability for the taxable year, the
19 excess tax credit amount shall constitute an overpayment as defined in R.S.
20 47:1621(A), and the secretary shall make a refund of the overpayment from the
21 current collections of the taxes imposed pursuant to this Chapter. The right to a
22 refund shall not be subject to the requirements of R.S. 47:1621(B).

23 D.(1) Any taxpayer who claims the credit authorized in this Section shall
24 maintain all records necessary to verify all of the following:

25 (a) The aspects of his employment making him eligible for the credit.

26 (b) The transportation expenses he incurred in commuting to and from his
27 relocated job.

1 (2) If requested by the Department of Revenue, a taxpayer shall submit to
2 the department, in connection with the filing of his individual income tax return, any
3 records listed in Paragraph (1) of this Subsection.

4 E. The secretary of the Department of Revenue may promulgate rules in
5 accordance with the Administrative Procedure Act as are necessary to implement the
6 provisions of this Section.

7 Section 2. The provisions of this Act shall apply to taxable years beginning on or
8 after January 1, 2024.

DIGEST

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

HB 626 Original

2023 Regular Session

Lyons

Abstract: Provides a refundable tax credit for workers who commute to out-of-state sites for jobs that had formerly been located in La.

Proposed law authorizes and provides for a refundable credit against state income tax for resident individuals employed in relocated jobs as defined in proposed law. Provides that the amount of the credit shall be equal to the annual total of transportation expenses incurred by the individual in commuting to and from a relocated job or \$5,000, whichever is less.

Proposed law defines "relocated job" as an individual's paid, full-time position with an employer, or a successor of the employer, which position meets all of the following qualifications:

- (1) The position is with an employer that engages in activities classified within Sector 31-33 (manufacturing) of the North American Industry Classification System published by the U.S. Bureau of the Census.
- (2) The site to which the individual regularly reported for duties of the position was formerly located in this state.
- (3) The site to which the individual, in order to maintain incumbency in the position, is required to regularly report for duties of the position was relocated to a location outside of this state.
- (4) The individual regularly commutes on a daily basis to and from the out-of-state location to which he is required to report for duties of the position.

Proposed law provides that in addition to the characteristics listed above, "relocated job" shall also mean any other position in an out-of-state location in which an individual subsequently becomes employed with the same employer, while maintaining continuous employment with that employer, after the relocation of his former position.

Proposed law requires taxpayers who claim the credit authorized in proposed law to maintain all records necessary to verify their eligibility for the credit and substantiate the credit

amounts they claim. Requires that, if requested by the Dept. of Revenue, a taxpayer shall submit such records to the department in connection with the filing of their individual income tax return.

Proposed law provides that if the amount of the credit exceeds the taxpayer's tax liability for the taxable year, the excess credit amount shall constitute an overpayment and the Dept. of Revenue shall refund the overpayment to the taxpayer, thereby creating the relocated jobs tax credit as a refundable credit.

Proposed law applies to taxable years beginning on or after Jan. 1, 2024.

(Adds R.S. 47:297.23)