

2023 Regular Session

HOUSE BILL NO. 637

BY REPRESENTATIVE MINCEY

TAX CREDITS: Establishes a tax credit for businesses that invest in certain school programs

1 AN ACT

2 To enact R.S. 47:6043, relative to income and corporation franchise tax credits; to authorize  
3 an income or corporation franchise tax credit for the employment of certain eligible  
4 students in internships; to provide for the amount of the credit; to provide for the  
5 application of the credit; to authorize the recovery of credits under certain  
6 circumstances; to provide for requirements and limitations; to authorize the  
7 promulgation of rules; to provide for applicability; to provide for an effective date;  
8 and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:6043 is hereby enacted to read as follows:

11 §6043. Credits; internships; businesses that invest in certain school programs

12 A.(1) There shall be allowed a non-refundable income or corporation  
13 franchise tax credit for a company that employs an eligible student as an intern in a  
14 work-based program designed to educate the student in a classroom setting as well  
15 as incorporate on-the-job training in high-wage, high-demand industry sectors. The  
16 amount of the credit shall equal the amount paid per internship per calendar year up  
17 to a maximum amount of two thousand five hundred dollars per intern.

18 (2) For purposes of this Section, an "eligible student" shall be a full-time  
19 student attending a public secondary school in Louisiana who is no less than sixteen  
20 years of age at the time of the commencement of an internship.

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

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

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

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

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

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

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

20          C. Credits previously granted to a taxpayer, but later disallowed, may be  
21          recovered by the secretary of the Department of Revenue through any collection  
22          remedy authorized by R.S. 47:1561.3.

23          D. The department may promulgate rules in accordance with the  
24          Administrative Procedure Act including rules to establish the policies and criteria  
25          regarding program eligibility and any other matter necessary to carry out the intent  
26          and purposes of this Section.

27          E. No credit shall be granted pursuant to the provisions of this Section for  
28          the employment of eligible students on or after December 31, 2029.

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

3 Section 3. The provisions of this Act shall become effective on 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 637 Original

2023 Regular Session

Mincey

**Abstract:** Establishes a non-refundable income or corporation franchise tax credit for the employment of eligible students as interns in work-based programs designed to incorporate on-the-job training in high-wage, high-demand industry sectors.

Proposed law provides for the establishment of a non-refundable income or corporation franchise tax credit for a company that employs eligible students as interns in a work-based program designed to educate the student in a classroom setting as well as incorporate on-the-job training in high-wage, high-demand industry sectors. The amount of the credit shall equal the amount paid per internship per calendar year up to a maximum amount of \$2,500 per intern.

Proposed law defines an "eligible student" as a full-time student attending a public secondary school in La. who is no less than 16 years of age at the time of the commencement of an internship.

Proposed law provides that if the tax credit earned for the taxable period exceeds the amount of taxes due, the taxpayer may carry forward the unused portion as a credit for future tax liabilities for up to five years. Proposed law prohibits the amount of the tax credit applied by a taxpayer in a taxable period to exceed the amount of taxes due from the taxpayer for that taxable period.

Proposed law provides for application of the tax credit on tax returns as well as the recovery of credits disallowed by the Dept. of Revenue.

Proposed law prohibits credits from being granted for the employment of eligible students on or after Dec. 31, 2029.

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

Effective Jan. 1, 2024.

(Adds R.S. 47:6034)