

2024 Third Extraordinary Session

HOUSE BILL NO. 3

BY REPRESENTATIVE EMERSON AND SENATOR FOIL

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AN ACT

To amend and reenact R.S. 47:287.750(E)(1), 6005(C)(1), 6006(A) and (B)(1)(introductory paragraph), (2), and (4), 6006.1(A), (B)(introductory paragraph), (1), (3), and (4), and (C), 6008(A), 6013(A), 6014(A), (B), and (C)(1) and (3) through (5), 6015(B)(1) and (2), (C)(3)(a) and (d)(i), (D)(2)(introductory paragraph), and (K), 6017(A), 6018(B), (D)(introductory paragraph), and (E), 6019(A)(1)(a)(i) and (3)(a) and (b)(ii)(aa) and (dd)(I), 6020(D)(2)(a) and (3)(a) and (d)(i), 6022(E)(1)(a), (b), and (e)(introductory paragraph), 6028(C)(introductory paragraph) and (D)(1) and (2), 6032(A) and (D), 6033(C)(introductory paragraph) and (D)(1) and (2), 6036(C)(1)(a)(introductory paragraph) and (I)(2)(a)(i) and (b), 6105(A), 6107(A) and (B), and 6108(A) and (B)(introductory paragraph), (1), (3), and (4) and R.S. 51:1787(A)(2)(a) and (b) and (G) and 2399.3(A)(1) and (3)(a) and (d)(i) and to repeal Chapter 5 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, comprised of R.S. 47:601 through 618, and R.S. 47:3204(H)(1), (I)(1)(a), and (J)(1) and 4305(B)(1), relative to corporation taxes; to repeal the corporation franchise tax; to repeal provisions relative to the application, administration, collection, and payment of the corporation franchise tax; to repeal the automatic corporation franchise tax rate reduction under certain circumstances; to repeal provisions relative to corporations not subject to the corporation franchise tax; to provide with respect

1 to tax credits applicable against corporation franchise tax; to provide for
2 applicability; to provide for an effective date; and to provide for related matters.

3 Be it enacted by the Legislature of Louisiana:

4 Section 1. R.S. 47:287.750(E)(1), 6005(C)(1), 6006(A) and (B)(1)(introductory
5 paragraph), (2), and (4), 6006.1(A), (B)(introductory paragraph), (1), (3), and (4), and (C),
6 6008(A), 6013(A), 6014(A), (B), and (C)(1) and (3) through (5), 6015(B)(1) and (2),
7 (C)(3)(a) and (d)(i), (D)(2)(introductory paragraph), and (K), 6017(A), 6018(B),
8 (D)(introductory paragraph), and (E), 6019(A)(1)(a)(i) and (3)(a) and (b)(ii)(aa) and (dd)(I),
9 6020(D)(2)(a) and (3)(a) and (d)(i), 6022(E)(1)(a), (b), and (e)(introductory paragraph),
10 6028(C)(introductory paragraph) and (D)(1) and (2), 6032(A) and (D), 6033(C)(introductory
11 paragraph) and (D)(1) and (2), 6036(C)(1)(a)(introductory paragraph) and (I)(2)(a)(i) and
12 (b), 6105(A), 6107(A) and (B), and 6108(A) and (B)(introductory paragraph), (1), (3), and
13 (4) are hereby amended and reenacted to read as follows:

14 §287.750. Louisiana work opportunity tax credit

15 * * *

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

18 * * *

19 §6005. Qualified new recycling manufacturing or process equipment and service
20 contracts

21 * * *

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

30 * * *

1 §6006. Tax credits for local inventory taxes paid

2 A.(1) There shall be allowed a credit against any Louisiana income ~~or~~
3 ~~corporation franchise~~ tax for ad valorem taxes paid to political subdivisions on
4 inventory held by manufacturers, distributors, and retailers.

5 (2) There shall be allowed a credit against any Louisiana income ~~or~~
6 ~~corporation franchise~~ tax for ad valorem taxes paid to political subdivisions on
7 natural gas held, used, or consumed in providing natural gas storage services or
8 operating natural gas storage facilities.

9 B.(1) Credit for taxes paid by corporations shall be applied to ~~state corporate~~
10 corporation income and ~~corporation franchise~~ taxes. Credit for taxes paid by
11 unincorporated persons shall be applied to state personal income taxes. The secretary
12 shall make a refund to the taxpayer in the amount to which he is entitled from the
13 current collections of the taxes collected pursuant to ~~Chapters~~ Chapter 1 and 5 of
14 Subtitle II of this Title. If the amount of the credit authorized pursuant to Subsection
15 A of this Section exceeds the amount of tax liability for the tax year, the following
16 amounts of the excess credit shall either be refundable or may be carried forward as
17 a credit against subsequent Louisiana income ~~or corporation franchise~~ tax liability
18 for a period not to exceed ten years, as follows:

19 * * *

20 (2) Each taxpayer allowed a credit under this Section shall claim the credit
21 on its separately filed income ~~or corporate franchise~~ tax return; however, for
22 purposes of the application of the limitations on refundability of excess credit
23 provided for in Subparagraphs (1)(a) through (c) of this Subsection, all taxpayers
24 included in one consolidated federal income tax return filed under the Internal
25 Revenue Code shall be treated as a single taxpayer.

26 * * *

27 (4) Notwithstanding any provision in this Section to the contrary, for a
28 manufacturer, as defined in Subparagraph (C)(3)(b) of this Section, if the amount of
29 the credit authorized pursuant to Subsection A of this Section exceeds the amount
30 of tax liability for the tax year, the excess credit shall not be refundable and may only

1 be carried forward as a credit against subsequent Louisiana income ~~or corporation~~
2 ~~franchise~~ tax liability for a period not to exceed ten years ~~and shall not be refundable.~~

3 * * *

4 §6006.1. Tax credits for taxes paid with respect to vessels in Outer Continental
5 Shelf Lands Act Waters

6 A. There shall be allowed a credit against any Louisiana income ~~or~~
7 ~~corporation franchise~~ tax for ad valorem taxes paid to political subdivisions on
8 vessels in Outer Continental Shelf Lands Act Waters as certified to the assessor
9 pursuant to R.S. 47:1956(B) within the calendar year immediately preceding the
10 taxable year of assessment of such vessel. For purposes of this Section, ad valorem
11 taxes shall be deemed to be paid to political subdivisions when they are paid either
12 in money or by applying credits established pursuant to R.S. 47:2132.

13 B. Notwithstanding anything to the contrary in ~~either~~ Chapter 1 ~~or Chapter~~
14 5 of Subtitle II of this Title, as amended, the following rules shall apply with respect
15 to the application of the credit established in Subsection A of this Section:

16 (1) The credit for taxes paid by or on behalf of a corporation shall be applied
17 against Louisiana ~~corporate~~ income ~~and corporation franchise~~ taxes of such the
18 corporation. However, any ~~such~~ credit allowable to any member of an affiliated
19 group of corporations, as defined in Section 1504 of the Internal Revenue Code of
20 1954, as amended, shall be applied against Louisiana ~~corporate~~ income ~~and~~
21 ~~corporation franchise~~ taxes of such the member and any other member of such the
22 affiliated group of corporations until the entire amount of the credit has been applied
23 against ~~such~~ Louisiana ~~corporate~~ income taxes ~~or corporation franchise~~ taxes.

24 * * *

25 (3) The credit for taxes paid by or on behalf of a corporation classified under
26 Subchapter S of the Internal Revenue Code of 1954, as amended, as an S corporation
27 shall be applied first against any Louisiana ~~corporate~~ corporation income ~~and~~
28 ~~corporation franchise~~ taxes tax due by such the S corporation, and the remainder of
29 any ~~such~~ credit shall be allocated to the shareholder or shareholders of such the S

1 corporation in accordance with their respective interests and applied against the
2 Louisiana income tax of ~~such~~ the shareholder or shareholders of the S corporation.

3 (4) The credit for taxes paid by or on behalf of a partnership shall be
4 allocated to the partners according to their distributive shares of partnership gross
5 income and applied against any Louisiana income tax ~~and corporation franchise tax~~
6 liability of ~~such~~ the partners.

7 * * *

8 C. Notwithstanding any other provision of law to the contrary in ~~Title 47 of~~
9 ~~the Louisiana Revised Statutes of 1950, as amended~~ this Title, any excess of
10 allowable credit established by this Section over the aggregate tax liabilities against
11 which ~~such~~ the credit can be applied, as provided in this Section, shall constitute an
12 overpayment, as defined in R.S. 47:1621(A), and the secretary shall make a refund
13 of ~~such~~ the overpayment from the current collections of the taxes imposed by
14 Chapter 1 ~~or Chapter 5~~ of Subtitle II of ~~Title 47 of the Louisiana Revised Statutes of~~
15 ~~1950, as amended~~ this Title, together with interest as provided in R.S. 47:1624. The
16 right to a credit or refund of ~~any such~~ an overpayment shall not be subject to the
17 requirements of R.S. 47:1621(B). All credits and refunds, together with interest
18 thereon, must be paid or disallowed within ninety days of receipt by the secretary;
19 of ~~any such~~ the claim for refund or credit. Failure of the secretary to pay or disallow,
20 in whole or in part, any claim for a credit or a refund shall entitle the aggrieved
21 taxpayer to proceed with the remedies provided in R.S. 47:1625.

22 * * *

23 §6008. Tax credits for donations made to assist playgrounds in economically
24 depressed areas

25 A. There shall be allowed a credit against any Louisiana income ~~or~~
26 ~~corporation franchise~~ tax for qualified donations made to qualified playgrounds. The
27 credit shall be an amount equal to the lesser of seven hundred twenty dollars or
28 thirty-six one hundredths of the value of the cash, equipment, goods, or services
29 donated. Any ~~such~~ credit shall be taken as a credit against the applicable income tax
30 ~~or taxes only~~ in the taxable period in which the donation is made. The total amount

1 of the credits taken by any taxpayer during any taxable year shall not exceed one
2 thousand dollars.

3 * * *

4 §6013. Tax credits for donations made to public schools

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

12 * * *

13 §6014. Credit for property taxes paid by certain telephone companies; fund

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

22 B. The credit allowed under this Section shall be applied against any
23 Louisiana income ~~or corporation franchise~~ tax shown on a return filed by a person,
24 as defined in R.S. 47:2, entitled to ~~such~~ the credit as determined under Subsection
25 C of this Section for income ~~or franchise~~ tax years ending on or after December 31,
26 2001.

27 C. Notwithstanding any provision of law to the contrary, the following
28 provisions shall apply with respect to the application of the credit established in
29 Subsection A of this Section:

1 §6015. Research and development tax credit

2 * * *

3 B.(1) Any taxpayer who employs fifty or more persons and claims for the
4 taxable year a federal income tax credit under 26 U.S.C. 41(a) for increasing research
5 activities shall be allowed a tax credit to be applied against income ~~and corporation~~
6 ~~franchise taxes~~ tax due in the manner provided for in Subsection K of this Section.

7 (2) Any taxpayer who employs less than fifty persons and claims for the
8 taxable year a federal income tax credit under 26 U.S.C. 41(a) for the taxable year,
9 or meets the requirements of Subparagraph (3)(i) of this Subsection, shall be allowed
10 a tax credit to be applied against income ~~and corporation franchise taxes~~ tax due in
11 the manner provided for in Subsection K of this Section.

12 * * *

13 C.

14 * * *

15 (3)(a) All entities taxed as corporations for Louisiana income ~~or corporation~~
16 ~~franchise~~ tax purposes shall claim any credit allowed under this Section on their
17 corporation income ~~and corporation franchise~~ tax return.

18 * * *

19 (d) Entities not taxed as corporations shall claim any credit allowed under
20 this Section on the returns of the partners or members as follows:

21 (i) Corporate partners or members shall claim their share of the credit on
22 their corporation income ~~or corporation franchise~~ tax returns.

23 * * *

24 D.

25 * * *

26 (2) In addition to the credit utilization allowed by Paragraph (C)(3) of this
27 Section, research and development tax credits for tax years 2018 and later that are
28 based on participation in the Small Business Technology Transfer Program or the
29 Small Business Innovation Research Grant program and that were not previously

1 claimed by any taxpayer against his income ~~or corporation franchise~~ tax may be
2 transferred or sold to another Louisiana taxpayer, subject to the following conditions:

3 * * *

4 K. If the amount of the credit authorized pursuant to Subsection A of this
5 Section exceeds the amount of tax liability for the tax year, the excess credit may be
6 carried forward as a credit against subsequent Louisiana income ~~or corporation~~
7 ~~franchise~~ tax liability for a period not to exceed five years.

8 * * *

9 §6017. Tax credits for certain expenses paid by economic development corporations

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

18 * * *

19 §6018. Tax credits for purchasers from "PIE contractors"

20 * * *

21 B. There shall be allowed a credit in each tax year beginning on and after
22 January 1, 2007, against the Louisiana income tax ~~and the Louisiana corporate~~
23 ~~franchise tax~~ for any individual or business which purchases specialty apparel items
24 including, but not limited to industrial clothes, uniforms, and scrubs, from a
25 contractor in a certified Private Sector/Prison Industry Enhancement Program which
26 employs inmates of Louisiana correctional institutions to manufacture such apparel.

27 * * *

28 D. Notwithstanding anything to the contrary in ~~either Chapter 1 or Chapter~~
29 5 of Subtitle II of Title ~~47 of the Louisiana Revised Statutes of 1950, as amended~~ this

1 property is placed in service. No credit is authorized pursuant to this Section for
2 expenses incurred on or after January 1, 2029.

3 * * *

4 (3)(a) The credit shall be allowed against the income tax for the taxable
5 period in which the credit is earned ~~and against the franchise tax for the taxable~~
6 ~~period following the taxable period in which the credit is earned.~~ If the tax credit
7 allowed pursuant to this Section exceeds the amount of ~~such~~ taxes due, any unused
8 credit may be carried forward as a credit against subsequent tax liability for a period
9 not to exceed five years. This credit may be used in addition to the twenty percent
10 federal tax credit for such purposes.

11 (b)

12 * * *

13 (ii)(aa) All entities taxed as corporations for Louisiana income ~~or corporation~~
14 ~~franchise~~ tax purposes shall claim any credit allowed under this Section on their
15 corporation income ~~and corporation franchise~~ tax return.

16 * * *

17 (dd) Entities not taxed as corporations shall claim any credit allowed under
18 this Section on the returns of the partners or members as follows:

19 (I) Corporate partners or members shall claim their share of the credit on
20 their corporation income ~~or corporation franchise~~ tax returns.

21 * * *

22 §6020. Angel Investor Tax Credit Program

23 * * *

24 D. Tax credits.

25 * * *

26 (2)(a) An investor may apply for and, if qualified, be granted a credit on any
27 income ~~or corporation franchise~~ tax liability owed to the state by the taxpayer
28 seeking to claim the credit in the amount approved by the secretary of the
29 department. The amount of the tax credit shall be based upon the amount of money
30 invested by the investor in the Louisiana Entrepreneurial Business, which investment

1 shall not exceed seven hundred twenty thousand dollars per year per business and
 2 one million four hundred forty thousand dollars total per business. Except as
 3 otherwise provided in Subparagraph (b) of this Paragraph, the credit shall be allowed
 4 against the income tax for the taxable period in which the credit is earned ~~and the~~
 5 ~~franchise tax for the taxable period following the period in which the credit is earned.~~
 6 The credits approved by the department shall be granted at the rate of twenty-five
 7 percent of the amount of the investment with the credit divided in equal portions for
 8 two years.

9 * * *

10 (3)(a) All entities taxed as corporations for Louisiana income ~~or corporation~~
 11 ~~franchise~~ tax purposes shall claim any credit allowed under this Section on their
 12 corporation income ~~and corporation franchise~~ tax return.

13 * * *

14 (d) Entities not taxed as corporations shall claim any credit allowed under
 15 this Section on the returns of the partners or members as follows:

16 (i) Corporate partners or members shall claim their share of the credit on
 17 their corporation income ~~or corporation franchise~~ tax returns.

18 * * *

19 §6022. Digital interactive media and software tax credit

20 * * *

21 E. Use of tax credits. (1) For tax credits earned for expenditures made on
 22 or before December 31, 2011:

23 (a) The credit shall be allowed against the income ~~or franchise~~ tax due from
 24 a taxpayer for the taxable period in which the credit is earned as well as the
 25 immediately preceding period. If the tax credit allowed pursuant to this Section
 26 exceeds the amount of ~~such~~ taxes due from a taxpayer, then any unused credit may
 27 be carried forward by the taxpayer as a credit against subsequent tax liability for a
 28 period not to exceed ten years. However, in no event shall the amount of the tax

1 credit applied by a taxpayer in a taxable period exceed the amount of ~~such~~ taxes due
2 from the taxpayer for that taxable period.

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

5 * * *

6 (e) Any tax credits allocated to a person and not previously claimed by any
7 taxpayer against his Louisiana state income ~~or franchise~~ tax may be transferred or
8 sold by ~~such~~ the person to another person, subject to the following conditions:

9 * * *

10 §6028. Louisiana Youth Jobs Tax Credit Program

11 * * *

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

17 * * *

18 D. Application of the credit. (1) The credit shall be allowed against the
19 income ~~or corporation franchise~~ tax due from a taxpayer for the taxable period in
20 which the credit is earned. If the tax credit allowed pursuant to this Section exceeds
21 the amount of ~~such~~ taxes due from a taxpayer, then the taxpayer may carry forward
22 any unused portion as a credit against subsequent tax liability for a period not to
23 exceed five years. However, in no event shall the amount of the tax credit applied by
24 a taxpayer in a taxable period exceed the amount of ~~such~~ taxes due from the taxpayer
25 for that taxable period.

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

28 * * *

1 §6032. Tax credit for certain milk producers

2 A. A resident taxpayer engaged in the business of producing milk for sale
3 shall be allowed a refundable tax credit based on the amount of milk produced and
4 sold. The credit may be claimed against any Louisiana income tax ~~and the~~
5 ~~corporation franchise tax~~. The credit shall be allowed when the USDA Uniform
6 Price in Federal Order Number 7 drops below the announced production price any
7 time during the calendar year.

8 * * *

9 D. The credit provided by this Section shall be earned on the last day of each
10 calendar year and may be claimed against the income tax for the taxable year that
11 includes the day on which the credit is earned ~~or for the succeeding franchise tax~~
12 ~~year~~. The credit shall be prorated on a quarterly basis.

13 * * *

14 §6033. Apprenticeship tax credits

15 * * *

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

20 * * *

21 D. Application of the credit.

22 (1) The credit shall be allowed against the income ~~or franchise~~ tax due from
23 a taxpayer for the taxable period in which the credit is earned. If the tax credit
24 allowed pursuant to this Section exceeds the amount of ~~such~~ taxes due from a
25 taxpayer, then the taxpayer ~~as a credit~~ may carry any unused credit forward to be
26 applied against subsequent tax liability for a period not to exceed five years.
27 However, in no event shall the amount of the tax credit applied by a taxpayer in a
28 taxable period exceed the amount of ~~such~~ taxes due from the taxpayer for that
29 taxable period.

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

3 * * *

4 §6036. Ports of Louisiana tax credits

5 * * *

6 C. Investor tax credit.

7 (1)(a) There are hereby authorized the following credits against state income
8 ~~and corporate franchise~~ tax:

9 * * *

10 I. Import-export cargo tax credit.

11 * * *

12 (2)(a)(i) For taxable years beginning on and after January 1, 2014, there shall
13 be allowed a credit against the ~~individual income, corporation income, and~~
14 ~~corporation franchise~~ tax liability of a taxpayer who has received certification
15 pursuant to the provisions of Paragraph (1) of this Subsection, provided that the
16 credit shall be allowed only against the tax liability of the international business
17 entity which receives the certification. The amount of the credit shall be equal to the
18 product of multiplying three dollars and sixty cents by the taxpayer's number of tons
19 of qualified cargo for the taxable year which exceeds the pre-certification tonnage
20 or the product of multiplying the number of dollars by the taxpayer's number of tons
21 of qualified cargo for the taxable year or portion of a taxable year which exceeds the
22 pre-certification tonnage which is warranted by the significant positive economic
23 benefit determined by the commissioner pursuant to Item (ii) of this Subparagraph,
24 whichever is less. For purposes of this Item, "pre-certification tonnage" means the
25 number of tons of cargo which meets the definition of qualified cargo for purposes
26 of this credit, and which was owned by the international business entity receiving the
27 credit, were imported or exported to or from a manufacturing, fabrication, assembly,
28 distribution, processing, or warehouse facility located in Louisiana, and which were
29 so moved by way of an oceangoing vessel berthed at public port facilities in

1 Louisiana during the calendar year prior to the year in which the application is
 2 submitted. However, each tax credit granted to a taxpayer shall be subject to the
 3 same limit as is provided for a qualifying project pursuant to Subparagraph (C)(1)(b)
 4 of this Section. In addition, the import-export cargo tax credits granted by the
 5 department to any recipient pursuant to this Section shall be limited to an amount
 6 which shall not result in a reduction of tax liability by all recipients of such credits
 7 to exceed four million five hundred thousand dollars in any fiscal year.

8 * * *

9 (b) ~~In the event that~~ If the tax credits allowed pursuant to this Subsection
 10 exceed the total tax liability of the taxpayer in the taxable year, the amount of the
 11 credit not used as an offset against ~~such~~ tax liability may be carried forward as a
 12 credit against subsequent ~~individual and corporation income, or corporation franchise~~
 13 tax liabilities for a period not to exceed five taxable years.

14 * * *

15 §6105. Child care provider tax credit

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

Quality Rating of Child Care Facility	Tax Credit Per Eligible
	Child Attending
Five star	\$1,500

1	Four star	\$1,250
2	Three star	\$1,000
3	Two star	\$ 750
4	One star or nonparticipating facility	0

5 * * *

6 §6107. Business-supported child care

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

13	Quality Rating of Child Care Facility	Percentage of eligible business
14		child care expenses
15	Five star	20%
16	Four star	15%
17	Three star	10%
18	Two star	5%
19	One star or nonparticipating facility	0

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

24 B. The credits provided for in this Section shall be allowed against income
25 tax ~~or corporate franchise tax~~ for the taxable period in which the credit is earned. If
26 the tax credit exceeds the amount of such taxes due, then the unused credit shall be
27 refunded as provided for in R.S. 47:6108.

28 * * *

1 tax years prior to the year in which the credit is generated only if the tax liability is
 2 the result of an assessment, administrative, or judicial proceeding by the Department
 3 of Revenue after an audit, provided that no further interest or penalty shall be
 4 accrued on such tax liability after the credit is generated. If the entire credit cannot
 5 be used in the year claimed, the remainder may be applied against the income tax ~~or~~
 6 ~~corporate franchise tax~~ for the succeeding ten taxable years or until the entire credit
 7 is used, whichever occurs first. These credits shall also apply to those tax liabilities,
 8 but not liabilities for penalty or interest, identified in tax years where existing
 9 contracts generate the credit.

10 (b) In lieu of the tax credit provided in Subparagraph (a) of this Paragraph,
 11 for aviation or aerospace industries as defined in North American Industry
 12 Classification System (NAICS) Code 336411, 336412, 336413, and 332912, for a
 13 five thousand dollar tax credit for each new job created. This tax credit may be
 14 applied to any state income tax liability ~~or any state franchise tax liability~~ within a
 15 ten-year period from the date that the contract becomes effective or until the entire
 16 credit is used, whichever occurs first.

17 * * *

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

1 participation in the program authorized by this Section. Employers shall be eligible
2 for tax credits under the program for ten years.

3 * * *

4 §2399.3. Modernization tax credit

5 A.(1) Except as provided in Subsection B of this Section, an employer may
6 earn and apply for and, if qualified, be granted a refundable credit on any income ~~or~~
7 ~~corporation franchise~~ tax liability owed to the state by the employer seeking to claim
8 the credit, in the amount approved by the secretary of the department for the amount
9 of qualified expenditures incurred by the employer for a modernization. Except as
10 otherwise provided in this Paragraph, the refundable credit shall be allowed against
11 the income tax for the taxable period in which the credit is earned ~~and the franchise~~
12 ~~tax for the taxable period following the period in which the credit is earned.~~

13 * * *

14 (3)(a) All entities taxed as corporations for Louisiana income ~~or corporation~~
15 ~~franchise~~ tax purposes shall claim any credit allowed under this Section on their
16 corporation income ~~and corporation franchise~~ tax return.

17 * * *

18 (d) Entities not taxed as corporations shall claim any credit allowed under
19 this Section on the returns of the partners or members as follows:

20 (i) Corporate partners or members shall claim their share of the credit on
21 their corporation income ~~or corporation franchise~~ tax returns.

22 * * *

23 Section 3. Chapter 5 of Subtitle II of Title 47 of the Louisiana Revised Statutes of
24 1950, comprised of R.S. 47:601 through 618, and R.S. 47:3204(H)(1), (I)(1)(a), and (J)(1)
25 and 4305(B)(1) are hereby repealed in their entirety.

26 Section 4. In any instance in which a provision of this Act conflicts with a provision
27 of the Act which originated as House Bill No. 10 of this 2024 Third Extraordinary Session
28 of the Legislature, the provision of the Act which originated as House Bill No. 10 of this
29 2024 Third Extraordinary Session of the Legislature shall prevail and be given effect.

1 Section 5. In any instance in which a provision of this Act conflicts with a provision
 2 of the Act which originated as House Bill No. 2 of this 2024 Third Extraordinary Session
 3 of the Legislature, the provision of the Act which originated as House Bill No. 2 of this 2024
 4 Third Extraordinary Session of the Legislature shall prevail and be given effect.

5 Section 6. The provisions of this Act shall apply to corporate franchise tax periods
 6 beginning on or after January 1, 2026.

7 Section 7. This Act shall become effective on January 1, 2026.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____