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 129 Original | 2025 Regular Session | Echols

Abstract: Establishes a corporate income tax credit equal to 50% of tax liability for broker-dealer financial firms who establish for the first time or relocate a home office or headquarters in a downtown development or cultural district in La.

Proposed law establishes a corporate income tax credit for a broker-dealer financial firm in the business of buying and selling securities on its behalf or on behalf of customers, hereinafter "broker-dealer", that establishes for the first time or relocates a home office or headquarters in a downtown development or cultural district in La. The amount of the credit shall equal 50% of the broker-dealer's corporate income tax liability, and the credit shall be applied against the taxpayer's tax liability for the subsequent tax year.

Proposed law requires a broker-dealer to meet all of the following requirements in order to qualify for the credit:

(1) Be subject to regulation by the Financial Industry Regulatory Authority.

(2) Manage assets that exceed $500M dollars at the time of applying for the credit and for each year the broker-dealer claims the credit.

(3) Employ at its home office or headquarters more than 200 employees who have an average annual wage of at least $50,000 exclusive of health insurance premium payments, pension or retirement contributions, and other benefits.

Proposed law requires the taxpayer to submit an application to the secretary of Louisiana Economic Development (LED). After the secretary certifies that the applicant meets all of the requirements of proposed law, the secretary shall execute a contract with the applicant for a period of up to five years providing for the terms and conditions for participation in the tax credit program which shall include an annual attestation that the taxpayer continues to meet all qualifications for participation in the program. Further requires an annual review of the contract to ensure that the applicant continues to meet the requirements for participation in the program.

Proposed law requires the secretary of the Dept. of Revenue (DOR) to be notified in writing within 30 days of execution of a contract for the granting of tax credits. If the secretary of LED determines that an applicant no longer qualifies for the tax credit, the secretary of LED shall notify the secretary of DOR in writing within 30 days of the determination.

Proposed law provides for the recovery of disallowed credits and authorizes the assessment and collection of interest at the rate of 3% above the rate provided for in present law to be computed from the original due date of the return on which the disallowed credit was taken.

Proposed law prohibits credits from being granted and the secretary of LED from entering into any new contract with an applicant on or after Jan. 1, 2036.

Proposed law is applicable to contracts entered into on or after Jan. 1, 2026, and applicable for tax years beginning on or after Jan. 1, 2026.

Effective Jan. 1, 2026.

(Adds R.S. 47:6004)