

SENATE BILL NO. 233

BY SENATOR EDMONDS AND REPRESENTATIVES BACALA, BERAULT, CARVER, CHASSION, FREEMAN, FREIBERG, KNOX, MANDIE LANDRY, MOORE, SPELL AND WYBLE

1 AN ACT

2 To amend and reenact the heading of Chapter 2 of Subtitle VII of Title 47 of the Louisiana  
3 Revised Statutes of 1950, R.S. 47:6102(7) , and R.S. 47:6107(A)(1) as amended and  
4 reenacted by Section 1 of Act 6 of the 2024 Third Extraordinary Session of the  
5 Legislature of Louisiana and to enact R.S. 47:6107(C), relative to the school  
6 readiness tax credits; to change the name of the credit; to provide for the definition  
7 of eligible business child care expenses; to provide for the percentages of eligible  
8 business child care expenses eligible for the credit; to provide for a calendar year  
9 cap; to provide for applicability; to provide for an effective date; and to provide for  
10 related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. The heading of Chapter 2 of Subtitle VII of Title 47 of the Louisiana  
13 Revised Statutes of 1950 and R.S. 47:6102(7) are hereby amended and reenacted and R.S.  
14 47:6107(C) is hereby enacted to read as follows:

15 CHAPTER 2. ~~SCHOOL READINESS~~  
16 WORKFORCE CHILD CARE TAX CREDITS

17 \* \* \*

18 §6102. Definitions

19 For purposes of this Chapter, the following terms shall have the following  
20 definitions:

21 \* \* \*

22 (7) "Eligible business child care expenses" means the total of the following  
23 expenses of a business that supports quality child care as provided for in R.S.  
24 47:6107:

25 (a) For the construction, renovation, expansion, or major repair of an eligible

1 child care facility, or for the purchase of equipment for such facility, or for the  
2 maintenance and operation thereof, not to exceed  ~~fifty~~ **one hundred** thousand dollars  
3 in expenses per tax year.

4 (b) For payments made to an eligible child care facility for child care services  
5 to support employees not to exceed  ~~five~~ **ten** thousand dollars per child per tax year.

6 (c) For the purchase of child care slots at eligible child care facilities actually  
7 provided or reserved for children of employees not to exceed  ~~fifty~~ **one hundred**  
8 thousand dollars per tax year.

9 \* \* \*

10 §6107. Business-supported child care

11 \* \* \*

12 **C.(1) For purposes of credits granted pursuant to Paragraph (A)(1) of**  
13 **this Section, the maximum amount of tax credits that may be granted for a**  
14 **calendar year, referred to hereafter in this Subsection as the "credit cap", shall**  
15 **be as follows:**

16 **(a) For the calendar year beginning January 1, 2026, and ending**  
17 **December 31, 2026, the credit cap shall be one million dollars.**

18 **(b) Beginning January 1, 2027, and each January first thereafter, the**  
19 **credit cap for the calendar year shall be established in accordance with the**  
20 **following provisions:**

21 **(i) If the secretary of the Department of Revenue determines that less**  
22 **than eighty percent of the credit cap amount authorized for the preceding**  
23 **calendar year was granted, then the credit cap for the current calendar year**  
24 **shall not be adjusted.**

25 **(ii) If the secretary of the Department of Revenue determines that at**  
26 **least eighty percent of the credit cap amount authorized for the preceding**  
27 **calendar year was granted, then the credit cap for the current calendar year**  
28 **shall be increased by one million dollars.**

29 **(c) In no event shall the credit cap for any calendar year exceed five**  
30 **million dollars.**

1           (2) No later than July first of each year, the secretary of the Department  
2           of Revenue shall publish on the department's website a notice of the credit cap  
3           amount authorized for the calendar year in which the notice is published.  
4           However, when the credit cap for a calendar year reaches five million dollars,  
5           the secretary shall no longer be required to publish notice of the credit cap  
6           amount on the department's website.

7           (3)(a) Beginning January 1, 2027, taxpayers shall apply for the tax credit  
8           on a form and in the manner prescribed by the secretary of the Department of  
9           Revenue. The application period shall begin on January first and conclude on  
10           February twenty-eighth of each calendar year following the calendar year in  
11           which the credit is deemed earned. Eligible applications shall be approved by  
12           the department on a first-come, first-served basis as determined by the date and  
13           time that a completed application is received by the department. An application  
14           shall not be considered complete until all information requested by the  
15           department has been received. A taxpayer is deemed eligible upon satisfactorily  
16           demonstrating that it has met the requirements of this Section, where  
17           applicable.

18           (b) If the aggregate amount of applications received on a single business  
19           day exceeds the total amount of available tax credits, the secretary of the  
20           Department of Revenue shall approve tax credits on a pro rata basis. In the  
21           event the taxpayer is subject to proration, the taxpayer shall only be eligible for  
22           a credit equal to the pro rata amount for the tax period deemed eligible.

23           Section 2. R.S. 47:6107(A)(1) as amended and reenacted by Section 1 of Act 6 of the  
24           2024 Third Extraordinary Session of the Legislature of Louisiana is hereby amended and  
25           reenacted to read as follows:

26           §6107. Business-supported child care

27           A.(1) There shall be a refundable credit against any Louisiana income tax for  
28           the eligible business child care expenses supported by a business. The total amount  
29           of credits granted pursuant to this Paragraph shall not exceed the amount  
30           provided for in Subsection (C) of this Section. The credit shall be the following

1 percentages of eligible business child care expenses depending upon the quality  
2 rating of the child care facility to which the expenses are related or the quality rating  
3 of the child care facility the child attends:

Quality Rating of Child Care Facility	Percentage of eligible business child care expenses
Five star	<del>20</del> <u>50</u> %
Four star	<del>15</del> <u>40</u> %
Three star	<del>10</del> <u>30</u> %
Two star	<del>5</del> <u>0</u> %
One star or nonparticipating facility	<u>0</u> %

11 \* \* \*

12 Section 3. The provisions of this Act shall be applicable to taxable periods beginning  
13 on or after January 1, 2026.

14 Section 4. The provisions of this Act shall become effective January 1, 2026.

\_\_\_\_\_  
PRESIDENT OF THE SENATE

\_\_\_\_\_  
SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_