
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)]

Robideaux

HB No. 518

Abstract: Repeals exemptions, deductions, and credits relative to corporate income and corporation franchise taxes.

Present law provides for the computation of net income for purposes of levying the corporation income tax. Further provides for the payment, administration, and various exemptions, deductions and credits from such taxes.

Proposed law repeals present law.

Present law provides for an income and corporation franchise tax credit for the employment of each person and participant of Family Independence Work Program in a newly created full-time job. The amount of the credit shall be \$750 and shall be allowed for the taxable period during which the new employee has completed one year of full-time service with the taxpayer or against the corporation franchise tax for the taxable period following the taxable period during which the new employee has completed one year of full-time service with the taxpayer.

Present law provides for an income or corporation franchise tax credit for qualified donations made to qualified playgrounds. The amount of the credit shall be equal to the lesser of \$1,000 or 1/2 of the value of the cash, equipment, goods, or services donated.

Present law provides for an income or corporation franchise tax credit for an La. business or industry which supports and encourages employee basic skills training by satisfying criteria established in present law and which submit proper and complete applications. The amount of the credit shall equal \$250 per participating employee, with the total of all basic skills training credits not to exceed \$30,000 for any single business or industry enterprise in a particular tax year.

Present law provides for an income and corporation franchise tax credit for employers within the state to donate materials, equipment, or instructors to public training providers, secondary and postsecondary vocational-technical schools, apprenticeship program registered with the La. Workforce Commission, or community colleges to assist in the development of training programs designed to meet industry needs. The amount of the credit shall equal 1/2 the value of the donated materials, equipment, or services rendered by the instructor.

Present law provides for a corporate income and corporation franchise tax credit for qualified donations made to a public school. The amount of the credit shall be equal to 40% of the

appraised value of the qualified donation.

Present law provides for an income or corporation franchise tax credit for the filing fee paid to the La. State Bond Commission incurred by an economic development corporation in the preparation and issuance of bonds. The amount of the credit shall be equal to the amount of the filing fee paid.

Present law provides for an income and corporate franchise tax credit for purchases of specialty apparel items including industrial clothes, uniforms, and scrubs, from a contractor in a certified Private Sector/Prison Industry Enhancement Program which employs inmates to manufacture such apparel. The amount of the credit shall be equal to the state sales and use tax paid by the purchaser on each case or other unit of apparel as reflected on the purchaser's books and records.

Present law provides for an income tax credit for the surcharges, market equalization charges, or assessments paid by a taxpayer as a result of the 2005 regular assessment or the emergency assessments levied due to Hurricanes Katrina and Rita by La. Citizens Property Insurance Corporation for the FAIR Plan and Coastal Plan. The amount of the credit is equal to the surcharges, market equalization charges, or assessments paid by a taxpayer.

Present law provides for a refundable income and corporation franchise tax credit for a resident taxpayer engaged in the business of producing milk for sale. The amount of the credit shall be based on the production and sale of milk below the announced production price over a calendar year in accordance with a schedule provided in present law. Present law limits the credit allowed for each producer to no more than \$30,000 per calendar year and caps the total aggregate amount of credits for all producers at \$2.5 million per calendar year.

Present law provides for an income tax credit for qualified clean-burning motor vehicle fuel property purchased and installed on certain motor vehicles. The amount of the credit shall be equal to 50% of the cost of the qualified clean-burning motor vehicle fuel property.

Proposed law repeals present law.

Present law provides for tax credits for employee alcohol and substance abuse treatment programs, donations of materials, equipment, advisors, or instructors, Brownfields Investors, Mentor-Protege Program, and "green job industries". However, by the terms of present law, these credits have either expired or have been inactive.

Proposed law repeals present law.

Present law requires every domestic corporation and every foreign corporation, exercising its charter, or qualified to do business or actually doing business in this state, or owning or using any part or all of its capital, plant, or any other property in this state, to pay an annual tax at the rate of \$1.50 for each \$1,000 on the first \$300,000 of taxable capital and at the rate of \$3 for each \$1,000 exceeding \$300,000 of taxable capital.

Present law defines, for purposes of the levying the corporation franchise tax, "taxable capital", "capital stock", and "surplus and undivided profits". Further provides for a general allocation formula relative to allocation of taxable capital and for certain exemptions from the tax.

Present law provides for payment, collection, and reporting of the corporation franchise tax as well as refunds and credits for overpayments of such tax.

Proposed law repeals present law.

Effective January 1, 2014, but shall become operative if and when House Bill Nos. ____ of this 2013 Regular Session are enacted and become effective.

(Amends R.S. 47:22; Repeals R.S. 47:11, 12, 34-37, 95, 102, 121, 131-167, 221-227, 246, 247, 287.61-287.785, 601.1-618, 6004-6037, and 6101-6109)