

Regular Session, 2013

HOUSE BILL NO. 570

BY REPRESENTATIVE GIROD JACKSON

TAX CREDITS: Provides a tax credit for qualified retail businesses that sell fresh food in areas designated as food deserts

1 AN ACT

2 To enact R.S. 47:6039, relative to tax credits; to authorize an income and corporation  
3 franchise tax credit for certain retail businesses which sell fresh food items in areas  
4 designated as food deserts; to provide for the amount of the credit; to authorize  
5 rulemaking; to provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:6039 is hereby enacted to read as follows:

8 §6039. Tax credits for retail business which sell fresh produce and other fresh food

9 A. There shall be a credit available to retail businesses which sell a certain  
10 amount of fresh produce and other fresh food items in areas designated by the  
11 Louisiana Department of Agriculture and Forestry as food deserts. The tax credit  
12 shall be refundable and may be claimed against any Louisiana income tax and the  
13 corporation franchise tax.

14 B. The Louisiana Department of Agriculture and Forestry shall promulgate  
15 regulations establishing the areas of the state that are considered to be food deserts.  
16 The department shall consider the use of data from the United States Department of  
17 Agriculture's Economic Research Service in establishing food desert areas of the  
18 state.

1           C. The credit shall be available to qualified food desert businesses. For  
2           purposes of this Act, the term "food desert business" means any taxpayer for any  
3           taxable year if such taxpayer meets each fo the following criteria:

4           (1) Operates in a food desert area as determined by the Louisiana Department  
5           of Agriculture and Forestry;

6           (2) Is in the trade or business of selling products at wholesale or retail and has  
7           total gross sales of less than fifteen million dollars per year;

8           (3) At least twenty percent of such taxpayer's gross receipts from such trade  
9           or business are derived from the retail sale of fresh produce, meats, and dairy  
10          products;

11          (4) Purchases at least fifteen percent of their inventory from Louisiana  
12          companies.

13          D. Each qualified food desert business is eligible for tax credits in the  
14          amount of one percent of their gross sales, not to exceed the total state tax liability  
15          of this business.

16          E. The credit provided for in this Section shall be earned on the last day of  
17          each calendar year and may be claimed against the income tax for the taxable year  
18          that includes the day on which the credit is earned or for the succeeding franchise tax  
19          year. The credit shall be prorated on a quarterly basis.

20          F. The credit allowed for each qualified food desert business pursuant to this  
21          Section shall not exceed ten thousand dollars per calendar year. The total aggregate  
22          amount of tax credits for all qualified food desert businesses under this Section shall  
23          be capped at two million dollars per calendar year.

24          G. The credit allowed pursuant to this Section shall be reviewed by the  
25          commissioner of the Department of Agriculture and Forestry after it has been in  
26          place for two taxable years. At such time, the commissioner of the Department of  
27          Agriculture and Forestry shall make a recommendation to the House and Senate  
28          Agriculture Committees for the elimination or continuance of this program.

- 1           H. The Department of Revenue in consultation with the Department of  
2           Agriculture and Forestry shall promulgate rules and regulations as may be necessary  
3           to facilitate implementation of this Section in accordance with the Administrative  
4           Procedure Act for purposes of this credit. Such rules may require the retention of  
5           records and the submission of specific documents by a taxpayer claiming the credit.
- 6           I. The provisions of this Act shall be effective for all taxable periods  
7           beginning on or after January 1, 2013.

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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)]

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Girod Jackson

HB No. 570

**Abstract:** Provides for income and corporation tax credits to retail businesses that sell a certain amount of fresh produce in areas designated by the Department of Agriculture and Forestry to be food deserts.

Proposed law provides for tax credits for retail businesses that are located in areas established by the Louisiana Department of Agriculture and Forestry as food deserts and that sell fresh produce, meats, and dairy products that account for at least twenty percent of their gross sales. Each qualified food desert business is eligible for tax credits in the amount of one percent of their gross sales, not to exceed a tax credit of ten thousand dollars per calendar year. The total tax credit for all such businesses is capped at an aggregated two million dollars per calendar year.

Effective for all taxable periods beginning on or after January 1, 2013.

(Adds R.S. 47:6039)