
DIGEST

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Leger

HB No. 630

Abstract: For the tax credit for rehabilitation of historic commercial structures, adds eligibility for structures in certain municipalities and authorizes the taking of the credit against insurance premium tax liability.

Present law authorizes an income and corporation franchise tax credit for the amount of eligible costs and expenses incurred during the rehabilitation of a historic structure located in a downtown development or a cultural product district. The credit shall not exceed 25% of the eligible costs and expenses of the rehabilitation. Present law prohibits a taxpayer from receiving more than \$5 million of credit for any number of structures rehabilitated within a particular downtown development or cultural product district.

Proposed law retains present law and authorizes a premium tax credit on taxes charged on insurance premiums certain for the amount of eligible costs and expenses incurred during the rehabilitation of a historic structure located within a cultural district, downtown development district or a municipality with a population of less than 15,000 persons according to the latest federal decennial census.

Present law designates that the historic structure must be located in a cultural product district or a downtown development district to apply for the tax credit.

Proposed law retains present law but changes the designation of "cultural product district" to "cultural district" and adds eligibility for structures located within a municipality with a population of less than 15,000 persons according to the latest federal decennial census.

Present law provides that if the amount of the tax credit exceeds the amount of taxes due, any unused credit may be carried forward as a credit against subsequent tax liability for a period not to exceed five years.

Present law authorizes taxpayers to sell their unused tax credits to other individuals or entities. There is no limit on the number of times a credit may be transferred or sold.

Proposed law retains present law.

Present law requires the transferors and transferees to submit to the state historic preservation office and to the Department of Revenue a written notification of any transfer or sale of tax credits within 30 days of the transaction. Further requires the notification to include the tax

credit balance prior to the transfer, the credit identification number assigned by the state historic preservation office, the remaining balance after the transfer, the amount of the transfer, and any other information required by the state historic preservation office or the Department of Revenue.

Proposed law retains present law but removes the state historic preservation office from the notice requirements.

Proposed law requires taxpayers claiming tax credits against premium taxes received by transfer to include a notification of the transfer or sale of tax credits as an attachment to the premium tax return filed with the Department of Insurance.

Present law provides that the provisions of present law shall be effective for all taxable years ending prior to Jan. 1, 2016.

Proposed law retains present law and extends the tax credit applicability from taxable years ending prior to Jan. 1, 2016, to taxable years ending prior to Jan. 1, 2018.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:6019(A)(1)(a), (2)(a), (3)(a), (b)(i)(aa), and (cc), (3)(b)(ii)(aa) and (dd)(I), (B)(1)(a) and (C); Adds R.S. 22:832(F) and R.S. 47:6019(3)(b)(i)(dd) and (ii)(dd)(IV))