

Regular Session, 2013

HOUSE BILL NO. 689

BY REPRESENTATIVE RICHARD

TAX/INCOME TAX: Provides with respect to individual income tax rates, exemptions, credits, and deductions

1 AN ACT

2 To amend and reenact R.S. 47:32(A), 37(A), (B)(5), (C), (D)(2), and (E), 293,  
3 6004(A)(2)(introductory paragraph), 6005(C)(1), 6006(A) and (B), 6006.1(A) and  
4 (B), 6007(C)(1), 6008(A), 6009(D)(1), 6014(A), (B), and (C), 6015(B)(1) and (2),  
5 6016(C), (D), (E)(4), and (F)(1)(introductory paragraph), 6017(A), 6018(B) and (D),  
6 6019(A)(1)(a) and (3), 6020(D)(2)(a) and (b) and (3), 6022(E)(2)(a), 6023(C)(1),  
7 6025(A), 6030(A) and (E), 6032(A), 6033(B)(1), (C), and (D), 6034(D), 6035(C),  
8 (F), and (G), 6036(C)(1)(a)(introductory paragraph) and (4) and (I)(2)(a)(i),  
9 6037(B)(introductory paragraph) and (C), 6105, 6107, and 6108(B) and to repeal  
10 R.S. 47:33, 43, 44, 45 through 51, 53 through 54, 56 through 59, 60, 60.1, 65, 68, 79,  
11 294, 297(B) through (D) and (F) through (P), 297.1 through 297.12, 6104, and 6106,  
12 relative to the individual income tax; to reduce the rates for such tax; to provide with  
13 respect to individual income tax deductions, exemptions, and credits; to repeal  
14 certain individual income tax deductions, exemptions, and credits; to provide for an  
15 effective date, credits; and to provide for related matters.

16 Be it enacted by the Legislature of Louisiana:

17 Section 1. R.S. 47:32(A), 37(A), (B)(5), (C), (D)(2), and (E), 293,  
18 6004(A)(2)(introductory paragraph), 6005(C)(1), 6006(A) and (B), 6006.1(A) and (B),  
19 6007(C)(1), 6008(A), 6009(D)(1), 6014(A), (B), and (C), 6015(B)(1) and (2), 6016(C), (D),  
20 (E)(4), and (F)(1)(introductory paragraph), 6017(A), 6018(B) and (D), 6019(A)(1)(a) and  
21 (3), 6020(D)(2)(a) and (b) and (3), 6022(E)(2)(a), 6023(C)(1), 6025(A), 6030(A) and (E),

1 6032(A), 6033(B)(1), (C), and (D), 6034(D), 6035(C), (F), and (G),  
2 6036(C)(1)(a)(introductory paragraph) and (4) and (I)(2)(a)(i), 6037(B)(introductory  
3 paragraph) and (C), 6105, 6107, and 6108(B) are hereby amended and reenacted to read as  
4 follows:

5 §32. Rates of tax

6 A. On individuals. The tax to be assessed, levied, collected and paid upon  
7 the taxable income of an individual shall be computed at the following rates:

8 (1) ~~Two~~ One and one-quarter of one percent on that portion of the first  
9 twelve thousand five hundred dollars of net income which is in excess of the credits  
10 against net income provided for in R.S. 47:79;

11 (2) ~~Four~~ Two and one-half of one percent on the next thirty-seven thousand  
12 five hundred dollars of net income;

13 (3) ~~Six~~ Three and three-quarters of one percent on any amount of net income  
14 in excess of fifty thousand dollars of net income.

15 \* \* \*

16 §37. Tax credit for contributions to educational institutions

17 A. The intent of this Section is to provide an incentive to corporations,  
18 ~~persons~~, estates, and trusts to contribute or donate, or sell below cost tangible  
19 movable property to public educational institutions for purposes of research, research  
20 training, or direct education of students in the state. Any corporation, ~~person~~, estate,  
21 and trust contributing, donating, or selling below cost tangible movable property to  
22 educational institutions as specified herein shall be allowed a credit against the tax  
23 liability due under the income tax as determined pursuant to Subsection C of this  
24 Section.

25 B. For purposes of this Section the following words and phrases shall have  
26 the following meanings:

27 \* \* \*

28 (5) "~~Persons, estates,~~ Estates and trusts" shall be as defined by R.S. 47:31.

29 \* \* \*

1                C. There shall be allowed a credit against the tax liability due under the  
2                corporation income tax for donations, contributions, or sales below cost of tangible  
3                movable property made to educational institutions in the state of Louisiana. The  
4                credit allowed by this Section shall be computed at the rate of forty percent of such  
5                property's value, as defined herein, or, in the case of a sale below cost, forty percent  
6                of the difference between the price received for the tangible movable property by the  
7                taxpayer and the value of the property as defined herein. The credit shall be limited  
8                to the total of the corporation tax liability for the taxable year for which it is being  
9                claimed and shall be in lieu of the deductions from gross income provided for in R.S.  
10               47:57. The credit shall not be allowed if the taxpayer arbitrarily, capriciously, or  
11               unreasonably discriminates against any person because of race, religion, ideas,  
12               beliefs, or affiliations.

13               D.  
14               \*           \*           \*

15               (2) The value of the credit against ~~any~~ corporation income tax due shall be  
16               based upon the donor's or seller's actual cost of new items of such property and not  
17               on retail value and upon appraised value of used items of such property. When new  
18               property is donated, contributed, or sold as provided herein, the donor or seller shall  
19               furnish to the board of jurisdiction an invoice showing the donor's or seller's actual  
20               purchase price. When used property is donated, contributed, or sold below cost, an  
21               appraisal shall be obtained by the institution accepting the donation or contribution  
22               or purchasing the used property, which shall furnish to the donor or seller a  
23               certification of such donation, contribution, or sale below cost which shall include  
24               the date and the value of the donation or contribution or property sold. Used  
25               property sold below cost shall mean a sale below the appraised value. The donor  
26               shall attach the certification to the corporation income tax return filed with the  
27               Department of Revenue.

28               E.(1) Any corporation, ~~person~~, estate, or trust contributing, donating, or  
29               selling for less than cost any tangible movable property to an educational institution

1 shall enter into an orientation agreement with the educational institution receiving  
2 said contribution, donation, or purchase. Such orientation must be provided at no  
3 cost to said institution and shall be provided at a location as determined pursuant to  
4 said agreement. Orientation shall occur within two weeks after installation of such  
5 property.

6 (2) If requested by the donee or purchaser, any corporation, ~~person~~, estate,  
7 or trust contributing, donating, or selling any tangible movable property to an  
8 educational institution shall enter into a minimum three months ~~maintenance/service~~  
9 maintenance or service agreement with the educational institution receiving said  
10 contribution or said donation in order to receive tax credit provided herein.

11 (3) Any ~~software/courseware~~ software or courseware donated under the  
12 provisions of this Section shall be compatible with the existing hardware of the  
13 educational institution.

14 \* \* \*

15 §293. Definitions

16 The following definitions shall apply throughout this Part, unless the context  
17 requires otherwise:

18 (1) "Adjusted gross income" means, for any taxable year and for any  
19 individual, the adjusted gross income of the individual for the taxable year that is  
20 reportable on the individual's federal income tax return.

21 ~~(2)(a)(i) "Construction code retrofitting deduction" for the purposes of this~~  
22 ~~Part, means an amount equal to fifty percent of the cost paid or incurred on or after~~  
23 ~~January 1, 2007, by a taxpayer to voluntarily retrofit an existing residential structure,~~  
24 ~~for which the taxpayer claims the homestead exemption for ad valorem tax purposes,~~  
25 ~~excluding rental property, as provided for in Subparagraph (c) of this Paragraph to~~  
26 ~~bring it into compliance with the State Uniform Construction Code, less the value of~~  
27 ~~any other state-, municipal-, or federal-sponsored financial incentives for such cost~~  
28 ~~paid.~~

1           (ii) ~~"Voluntarily retrofit an existing residential structure" means that the~~  
2           ~~retrofitting is not a construction, reconstruction, alteration, or repair of such structure~~  
3           ~~required by the State Uniform Construction Code because the structure is a new~~  
4           ~~residential structure or because of damage or destruction of an existing residential~~  
5           ~~structure.~~

6           (b) ~~The total amount of deduction granted to a taxpayer under this Paragraph~~  
7           ~~shall not exceed five thousand dollars per retrofitted residential structure. The~~  
8           ~~deduction earned under this Paragraph shall be claimed on the return for the taxable~~  
9           ~~year in which the work is completed.~~

10          (c) ~~In order to qualify for the deduction, the taxpayer shall submit with his~~  
11          ~~return proof that the work completed complies with the State Uniform Construction~~  
12          ~~Code and any information verifying the total cost of the project and that the project~~  
13          ~~was a voluntary project as provided for in this Paragraph as may be required by the~~  
14          ~~Department of Revenue by rule or regulation.~~

15          (d) ~~The secretary of the Department of Revenue shall promulgate such rules~~  
16          ~~and regulations in accordance with the Administrative Procedure Act as may be~~  
17          ~~necessary to carry out the provisions of this Paragraph.~~

18          (e) ~~As used in this Paragraph, "retrofit" means improvements to a previously~~  
19          ~~constructed structure regarding any of the following:~~

20               (i) ~~Roof deck attachment.~~

21               (ii) ~~Secondary water barrier.~~

22               (iii) ~~Roof covering.~~

23               (iv) ~~Gable ends bracing.~~

24               (v) ~~Roof-to-wall connections.~~

25               (vi) ~~Opening protection.~~

26               (vii) ~~Exterior doors, including garage doors.~~

27          (f) ~~A taxpayer shall not receive any other state tax credit, exemption,~~  
28          ~~exclusion, deduction, or any other tax benefit for items of tangible personal property~~  
29          ~~for which the taxpayer has received a tax credit under this Paragraph.~~

1           ~~(3)~~ "Excess federal itemized personal deductions" for the purposes of this  
2 Part, means the following percentages of the amount by which the federal itemized  
3 personal deductions exceed the amount of federal standard deductions which is  
4 designated for the filing status used for the taxable period on the individual income  
5 tax return required to be filed:

6           ~~(a)~~ For tax years beginning during calendar year 2007, fifty-seven and one  
7 half percent of such excess federal itemized personal deductions:

8           ~~(b)~~ For tax years beginning during calendar year 2008, sixty-five percent of  
9 such excess federal itemized personal deductions:

10          ~~(c)~~ For all tax years beginning on and after January 1, 2009, one hundred  
11 percent of such excess federal itemized personal deductions:

12          ~~(4)~~ (2) "Federal income tax liability", for the purpose of this Part, means the  
13 total amount of tax due to the United States for the taxable period on the individual  
14 income tax return required to be filed by any taxpayer, except that:

15           (a) Social security taxes and self-employment taxes shall not be included.

16           (b)(i) Beginning for taxable years beginning in 2004, the federal income tax  
17 liability shall be increased by any federal income tax credits determined by the  
18 secretary to be disaster relief credits.

19           (ii) Any determination to be made by the secretary as provided for in this  
20 Subparagraph and in R.S. 47:287.85(C)(2) shall be made in accordance with rules  
21 and regulations promulgated by the secretary and approved by the Senate Committee  
22 on Revenue and Fiscal Affairs Committee and the House Committee on Ways and  
23 Means meeting jointly.

24           (c) Federal income tax rebates and credits received by a taxpayer for the  
25 2008 tax year under the provisions of Section 6428 of the Internal Revenue Code as  
26 enacted in the federal Economic Stimulus Act of 2008 shall not reduce the federal  
27 income tax liability.

28          ~~(5)~~ (3) "Hurricane recovery entity" means the Road Home Corporation as  
29 provided for in Chapter 3-E of Title 40 of the Louisiana Revised Statutes of 1950,

1 the Louisiana Recovery Authority as provided for in Part V of Chapter 2 of Title 49  
2 of the Louisiana Revised Statutes of 1950, the disaster recovery unit within the office  
3 of community development, division of administration, or the Louisiana Family  
4 Recovery Corps.

5 ~~(6)~~ (4) "Individual" means a natural person. However, for any taxable year,  
6 a husband and wife may file a joint income tax return and a surviving spouse may  
7 file a joint income tax return on behalf of the survivor and the deceased for the year  
8 in which the death occurred, if the survivor has not remarried during the year of  
9 death.

10 ~~(7)(a)~~ "~~The recreation volunteer and volunteer firefighter deduction~~" for the  
11 purposes of this Part, means a deduction in the amount of five hundred dollars per  
12 tax year for individuals who volunteer for recreation departments and volunteer fire  
13 departments.

14 ~~(b)~~ In order to qualify for the deduction for volunteers for recreation  
15 departments, the taxpayer must comply with the following requirements:

16 ~~(i)~~ The taxpayer must serve as a volunteer for thirty or more hours during the  
17 taxable year.

18 ~~(ii)~~ The taxpayer must be registered by the recreation department as a  
19 volunteer.

20 ~~(iii)~~ The recreation department must be operated by the state of Louisiana  
21 or a political subdivision of the state.

22 ~~(c)~~ The recreation department shall certify in writing that the taxpayer served  
23 as a volunteer for thirty or more hours during the year and that the taxpayer was not  
24 compensated for these services. The certification shall include the taxpayer's name,  
25 address, and social security number and the name and address of the recreation  
26 department.

27 ~~(d)~~ In order to qualify for the deduction as a volunteer firefighter, the  
28 individual shall complete twenty-four hours of continuing education annually, and  
29 shall be an active member of the Louisiana State Fireman's Association, or on the

1 ~~departmental personnel roster for the State Fire Marshal's Volunteer Fireman's~~  
2 ~~Insurance Program.~~

3 ~~(8)~~ (5) "Tax" or "tax liability" means the liability for all amounts owing by  
4 an individual to the state of Louisiana under this Part.

5 ~~(9)(a)~~ (6) "Tax table income", for resident individuals, means adjusted gross  
6 income plus interest on obligations of a state or political subdivision thereof, other  
7 than Louisiana and its municipalities, title to which obligations vested with the  
8 resident individual on or subsequent to January 1, 1980, and less:

9 ~~(i) Any gratuitous grant, loan, or other benefit directly or indirectly provided~~  
10 ~~to a taxpayer by a hurricane recovery entity if such benefit was included in federal~~  
11 ~~adjusted gross income.~~

12 ~~(ii)~~ (a) Federal income tax liability.

13 ~~(iii)~~ (b) Income exempt from taxation under the laws of Louisiana or which  
14 Louisiana is prohibited from taxing by the constitution or laws of the United States.

15 ~~(iv) The excess, if any, of the personal exemptions and deductions provided~~  
16 ~~for in R.S. 47:294 over the amount of the personal exemptions and deductions~~  
17 ~~already included in the tax tables promulgated by the secretary under authority of~~  
18 ~~R.S. 47:295.~~

19 ~~(v) The amount deposited in a medical savings account as defined in R.S.~~  
20 ~~47:297.1(B), and any interest accrued thereon; however, any amount withdrawn from~~  
21 ~~a medical savings account for purposes other than paying eligible medical expenses~~  
22 ~~or to procure health insurance shall be included in tax table income.~~

23 ~~(vi) For tax years beginning on and after January 1, 2001, the amount~~  
24 ~~deposited in an education savings account as provided in R.S. 17:3095(A)(1)(b), and~~  
25 ~~any interest accrued thereon; however, any such deposit plus interest withdrawn from~~  
26 ~~an education savings account for purposes other than paying qualified higher~~  
27 ~~education expenses, as defined in R.S. 17:3092(10) shall be included in tax table~~  
28 ~~income.~~



1           ~~(vii) The amount of the exclusion provided for in R.S. 47:297.3 for S Bank~~  
2           ~~shareholders.~~

3           ~~(viii) For tax years beginning on and after January 1, 2005, the amount~~  
4           ~~deposited in an education savings account as provided in R.S. 17:3095(A)(1)(c), and~~  
5           ~~any interest accrued thereon; however, any such deposit plus interest withdrawn from~~  
6           ~~an education savings account for purposes other than paying qualified higher~~  
7           ~~education expenses, as defined in R.S. 17:3092 shall be included in tax table income.~~

8           ~~(ix) A deduction for expenses disallowed by I.R.C. Section 280C. In~~  
9           ~~computing net income, a deduction shall be allowed for expenses which would~~  
10          ~~otherwise be deductible under federal law, but for the disallowance provisions of~~  
11          ~~I.R.C. Section 280C, relative to certain expenses for which federal credits are~~  
12          ~~allowable.~~

13          ~~(x) The temporary teacher deduction.~~

14          ~~(xi) Excess federal itemized personal deductions.~~

15          ~~(xii) The recreation volunteer and volunteer firefighter deduction.~~

16          ~~(xiii) The construction code retrofitting deduction.~~

17          ~~(xiv) The elementary and secondary school tuition deduction as provided for~~  
18          ~~in R.S. 47:297.10.~~

19          ~~(xv) The educational expenses deduction for home-schooled children as~~  
20          ~~provided for in R.S. 47:297.11.~~

21          ~~(xvi) The deduction for fees and other educational expenses for a quality~~  
22          ~~public education as provided for in R.S. 47:297.12.~~

23          ~~(xvii) Income from net capital gains, which shall be limited to gains~~  
24          ~~recognized and treated for federal income tax purposes as arising from the sale or~~  
25          ~~exchange of an equity interest in or substantially all of the assets of a nonpublicly~~  
26          ~~traded corporation, partnership, limited liability company, or other business~~  
27          ~~organization commercially domiciled in this state.~~

28          ~~(b) Interest on obligations of the state of Louisiana, its political subdivisions,~~  
29          ~~public corporations created by them and constituted authorities thereof authorized~~

1 to issue obligations on their behalf, title to which obligations vested with a resident  
2 individual shall be excluded from "tax table income" and is hereby declared exempt  
3 from state income taxation.

4 (c) ~~Interest on obligations of other states and their subdivisions, public~~  
5 ~~corporations created by them and constituted authorities thereof authorized to issue~~  
6 ~~obligations on their behalf, title to which obligations vested with a resident~~  
7 ~~individual prior to January 1, 1980, shall be excluded from "tax table income" and~~  
8 ~~if title to such obligations vests with a resident individual after January 1, 1980,~~  
9 ~~interest thereon shall be included in "tax table income".~~

10 (d) ~~For the purposes of this Paragraph, income distributed by a trust,~~  
11 ~~partnership, or mutual fund to an individual taxpayer shall retain the same character~~  
12 ~~in his hands as it had in the hands of such distributor to the extent such income~~  
13 ~~similarly retains its character for federal income tax purposes.~~

14 (e) ~~For tax years beginning after December 31, 2002, in the case of an~~  
15 ~~individual who is on active duty as a member of the armed forces of the United~~  
16 ~~States, which full-time duty is or will be continuous and uninterrupted for one~~  
17 ~~hundred twenty consecutive days or more, total compensation paid for services~~  
18 ~~performed outside this state by the armed forces of the United States of up to thirty~~  
19 ~~thousand dollars shall be excluded from "tax table income" and is hereby declared~~  
20 ~~exempt from state income taxation.~~

21 (f) ~~Repealed by Acts 2007, No. 160, §2.~~

22 (10) (7) "Tax table income", for nonresident individuals, means the amount  
23 of Louisiana income, as provided in this Part, allocated and apportioned under the  
24 provisions of R.S. 47:241 through 247, plus the total amount of the personal  
25 exemptions and deductions already included in the tax tables promulgated by the  
26 secretary under authority of R.S. 47:295, less the proportionate amount of the federal  
27 income tax liability, ~~excess federal itemized personal deductions, the temporary~~  
28 ~~teacher deduction, the recreation volunteer and volunteer firefighter deduction, the~~  
29 ~~construction code retrofitting deduction, any gratuitous grant, loan, or other benefit~~

1        ~~directly or indirectly provided to a taxpayer by a hurricane recovery entity if such~~  
 2        ~~benefit was included in federal adjusted gross income, the exclusion provided for in~~  
 3        ~~R.S. 47:297.3 for S Bank shareholders, the deduction for expenses disallowed by~~  
 4        ~~I.R.C. Section 280C, the deduction for net capital gains, and personal exemptions~~  
 5        ~~and deductions provided for in R.S. 47:294.~~ The proportionate amount is to be  
 6        determined by the ratio of Louisiana income to federal adjusted gross income. When  
 7        federal adjusted gross income is less than Louisiana income, the ratio shall be one  
 8        hundred percent.

9                ~~(11)(a) "Temporary teacher deduction" for the purposes of this Part, means~~  
 10        ~~a deduction for each tax year beginning in 2007 and 2008 only, in an amount of one~~  
 11        ~~thousand dollars for an individual who was previously employed as a public school~~  
 12        ~~classroom teacher by a school board in one of the following parishes impacted by~~  
 13        ~~Hurricane Katrina: Jefferson, Orleans, Plaquemines, St. Bernard, and St. Tammany.~~

14                ~~(b) In order to qualify for the deduction, the public school classroom teacher~~  
 15        ~~shall agree in writing to be employed as a public school classroom teacher for at least~~  
 16        ~~three years. The individual shall submit the agreement between the school board and~~  
 17        ~~the teacher to the Department of Revenue in order to obtain the deduction.~~

18                                \*        \*        \*

19        §6004. Employer credit

20                A.

21                                \*        \*        \*

22                (2) The credit shall be seven hundred fifty dollars and shall be allowed  
 23        against the corporation income tax for the taxable period during which the new  
 24        employee has completed one year of full-time service with the taxpayer and/or  
 25        against the corporation franchise tax for the taxable period following the taxable  
 26        period during which the new employee has completed one year of full-time service  
 27        with the taxpayer. Only one tax credit shall be allowed for:

28                                \*        \*        \*

1 §6005. Qualified new recycling manufacturing or process equipment and/or service  
2 contracts

3 \* \* \*

4 C.(1) A taxpayer who purchases qualified new recycling manufacturing or  
5 process equipment and/or qualified service contracts as defined in this Section and  
6 certified by the secretary of the Department of Environmental Quality to be used or  
7 performed exclusively in this state shall be entitled to a credit against any  
8 corporation income and corporation franchise taxes imposed by the state in an  
9 amount equal to twenty percent of the cost of the new recycling manufacturing or  
10 process equipment and/or qualified service contract less the amount of any other tax  
11 credits received for the purchase of such equipment and/or contract.

12 \* \* \*

13 §6006. Tax credits for local inventory taxes paid

14 A. There shall be allowed a credit against any Louisiana corporation income  
15 or corporation franchise tax for ad valorem taxes paid to political subdivisions on  
16 inventory held by manufacturers, distributors, and retailers and on natural gas held,  
17 used, or consumed in providing natural gas storage services or operating natural gas  
18 storage facilities.

19 B. Credit for taxes paid by corporations shall be applied to state corporate  
20 income and corporation franchise taxes. ~~Credit for taxes paid by unincorporated~~  
21 ~~persons shall be applied to state personal income taxes.~~ The taxpayer shall be  
22 entitled to a refund for any allowable credit which exceeds the aggregate tax liability  
23 of the taxpayer for the taxes imposed by Chapter 1 and Chapter 5 of Subtitle II of  
24 this Title. The secretary shall make such refund to the taxpayer in the amount to  
25 which he is entitled from the current collections of the taxes collected pursuant to  
26 Chapter 1 and Chapter 5 of such Subtitle II.

27 \* \* \*

1 §6006.1. Tax credits for taxes paid with respect to vessels in Outer Continental  
2 Shelf Lands Act Waters

3 A. There shall be allowed a credit against any Louisiana corporation income  
4 or corporation franchise tax for ad valorem taxes paid without protest to political  
5 subdivisions on vessels in Outer Continental Shelf Lands Act Waters as certified to  
6 the assessor pursuant to R.S. 47:1956(B) within the calendar year immediately  
7 preceding the taxable year of assessment of such vessel. For purposes of this  
8 Section, ad valorem taxes shall be deemed to be paid to political subdivisions when  
9 they are paid without protest either in money or by applying credits established  
10 pursuant to R.S. 47:2108.1.

11 B. Notwithstanding anything to the contrary in either Chapter 1 or Chapter  
12 5 of Subtitle II of this Title, as amended, the following rules shall apply with respect  
13 to the application of the credit established in Subsection A of this Section:

14 (1) The credit for taxes paid by or on behalf of a corporation shall be applied  
15 against Louisiana corporate income and corporation franchise taxes of such  
16 corporation. However, any such credit allowable to any member of an affiliated  
17 group of corporations, as defined in Section 1504 of the Internal Revenue Code of  
18 1954, as amended, shall be applied against Louisiana corporate income and  
19 corporation franchise taxes of such member and any other member of such affiliated  
20 group of corporations until the entire amount of the credit has been applied against  
21 such Louisiana corporate income taxes or corporation franchise taxes.

22 ~~(2) The credit for taxes paid by an individual shall be applied against~~  
23 ~~Louisiana personal income taxes.~~

24 ~~(3)~~ (2) The credit for taxes paid by or on behalf of a corporation classified  
25 under Subchapter S of the Internal Revenue Code of 1954, as amended, as an S  
26 corporation shall be applied first against any Louisiana corporate income and  
27 corporation franchise taxes due by such S corporation, ~~and the remainder of any such~~  
28 ~~credit shall be allocated to the shareholder or shareholders of such S corporation in~~

1           accordance with their respective interests and applied against the Louisiana income  
2           tax of such shareholder or shareholders of the S corporation.

3               ~~(4)~~ (3) The credit for taxes paid by or on behalf of a partnership shall be  
4           allocated to the partners according to their distributive shares of partnership gross  
5           income and applied against any Louisiana corporation income tax and corporation  
6           franchise tax liability of such partners.

7               ~~(5)~~ (4) The character of the credit for taxes paid by or on behalf of a  
8           partnership or S corporation and allocated to the partners or shareholders,  
9           respectively, of such partnership or S corporation, shall be determined as if such  
10          credit were incurred by such partners or shareholders, as the case may be in the same  
11          manner as incurred by the partnership or S corporation, as the case may be.

12               ~~(6)~~ (5) The credit for taxes paid by an estate or trust shall be applied against  
13          the Louisiana income tax imposed on estates and trusts.

14   \*           \*           \*

15          §6007. Motion picture investor tax credit

16   \*           \*           \*

17                           C. Investor tax credit; specific productions and projects.

18               (1) There is hereby authorized a tax credit against state corporation income  
19          tax for Louisiana taxpayers for investment in state-certified productions. The tax  
20          credit shall be earned by investors at the time expenditures are made by a motion  
21          picture production company in a state-certified production. However, credits cannot  
22          be applied against a tax or transferred until the expenditures are certified by the  
23          office and the secretary. For state-certified productions, expenditures shall be  
24          certified no more than twice during the duration of a state-certified production unless  
25          the motion picture production company agrees to reimburse the office for the costs  
26          of any additional certifications. The tax credit shall be calculated as a percentage of  
27          the total base investment dollars certified per project.

28   \*           \*           \*

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 §6008. Tax credits for donations made to assist playgrounds in economically  
2 depressed areas

3 A. There shall be allowed a credit against any Louisiana corporation income  
4 or corporation franchise tax for qualified donations made to qualified playgrounds.  
5 The credit shall be an amount equal to the lesser of one thousand dollars or one-half  
6 of the value of the cash, equipment, goods, or services donated. Any such credit  
7 shall be taken as a credit against the applicable tax or taxes only in the taxable period  
8 in which the donation is made. The total amount of the credits taken by any taxpayer  
9 during any taxable year shall not exceed one thousand dollars.

10 \* \* \*

11 §6009. Louisiana Basic Skills Training Tax Credit

12 \* \* \*

13 D. Tax credits. (1) Any Louisiana business or industry which satisfies the  
14 criteria provided for herein shall, with submission of proper and complete  
15 applications, receive a two hundred fifty dollar tax credit per participating employee,  
16 with the total of all such basic skills training tax credits not to exceed thirty thousand  
17 dollars for any such single business or industry enterprise in a particular tax year.  
18 This tax credit may be applied to any state corporation income tax liability or any  
19 state corporation franchise tax liability and, if the entire credit cannot be used in the  
20 year earned, the remainder may be applied against income tax or corporation  
21 franchise tax liabilities for the succeeding two tax years, or until the entire credit is  
22 used, whichever occurs first.

23 \* \* \*

24 §6014. Credit for property taxes paid by certain telephone companies; fund

25 A. Pursuant to the provisions of this Section, there shall be allowed a credit  
26 against Louisiana corporation ~~or individual income taxes~~ and Louisiana corporation  
27 franchise tax for, and in an amount equal to, forty percent of the aggregate ad  
28 valorem taxes paid to political subdivisions of this state after December 31, 2000, by  
29 a telephone company, as defined in R.S. 47:1851(Q), with respect to such telephone

1 company's public service properties, as defined in R.S. 47:1851(M), which are  
2 assessed by the Louisiana Tax Commission at twenty-five percent of fair market  
3 value pursuant to R.S. 47:1854.

4 B. The credit allowed under this Section shall be applied against any  
5 Louisiana corporation income or corporation franchise tax shown on a return filed  
6 by a person as defined in R.S. 47:2, entitled to such credit as determined under  
7 Subsection C of this Section for corporation income or franchise tax years ending on  
8 or after December 31, 2001.

9 C. Notwithstanding any provision of law to the contrary, the following  
10 provisions shall apply with respect to the application of the credit established in  
11 Subsection A of this Section:

12 (1) The credit for ad valorem taxes paid by or on behalf of a corporation  
13 shall be applied against Louisiana corporation income and corporation franchise  
14 taxes of such corporation. However, any such credit allowable to any member of an  
15 affiliated group of corporations, as defined in Section 1504 of the Internal Revenue  
16 Code of 1986, as amended, shall be applied against Louisiana corporation income  
17 and corporation franchise taxes of such member and any other member of such  
18 affiliated group of corporations until the entire amount of the credit has been applied  
19 against such Louisiana corporation income taxes or corporation franchise taxes.

20 (2) ~~The credit for taxes paid by an individual shall be applied against the~~  
21 ~~Louisiana individual income tax.~~

22 (3) The credit for taxes paid by or on behalf of a corporation classified under  
23 Subchapter S of the Internal Revenue Code of 1986, as amended, as an S corporation  
24 shall be applied first against any Louisiana corporation income and corporation  
25 franchise taxes due by such S corporation, ~~and the remainder of any such credit shall~~  
26 ~~be allocated to the shareholder or shareholders of such S corporation in accordance~~  
27 ~~with their respective interests and applied against the Louisiana income tax of such~~  
28 ~~shareholder or shareholders of the S corporation.~~



1           ~~(4)~~ (3) The credit for taxes paid by or on behalf of a partnership shall be  
2 allocated to the partners according to their distributive shares of partnership gross  
3 income and applied against any Louisiana corporation income tax and corporation  
4 franchise tax liability of such partners.

5           ~~(5)~~ (4) The credit for taxes paid by or on behalf of a limited liability  
6 company shall be allocated to the members according to their distributive shares of  
7 such limited liability company's gross income and applied against any Louisiana  
8 corporation income tax and corporation franchise tax liability of such members;  
9 however, the credit for taxes paid by or on behalf of a limited liability company  
10 treated as a corporation for Louisiana income tax purposes may be applied against  
11 the Louisiana corporation income taxes of such limited liability company.

12           ~~(6)~~ (5) The character of the credit for taxes paid by or on behalf of a  
13 partnership, S corporation, or limited liability company not treated as a corporation  
14 for Louisiana income tax purposes and allocated to the partners, shareholders, or  
15 members, respectively, of such partnership, S corporation, or limited liability  
16 company, shall be determined as if such credit were incurred by such partners,  
17 shareholders, or members, in the same manner as incurred by such partnership, S  
18 corporation, or limited liability company.

19           ~~(7)~~ (6) The credit for taxes paid by an estate or trust shall be applied against  
20 the Louisiana income tax imposed on estates and trusts.

21                                       \*           \*           \*

22           §6015. Research and development tax credit

23                                       \*           \*           \*

24           B.(1) Any taxpayer who employs more than fifty persons and claims for the  
25 taxable year a federal income tax credit under 26 U.S.C. §41(a) for increasing  
26 research activities shall be allowed a refundable tax credit to be applied against  
27 corporation income and corporation franchise taxes due.

28           (2) Any taxpayer who employs up to fifty persons and incurs qualified  
29 research expenses as defined in 26 U.S.C. §41(b), for the taxable year, shall be

CODING: Words in ~~struck-through~~ type are deletions from existing law; words underscored  
are additions.

1 allowed a refundable tax credit to be applied against corporation income and  
2 corporation franchise taxes due.

3 \* \* \*

4 §6016. New markets tax credit

5 \* \* \*

6 C. A natural or juridical person who holds a qualified equity investment  
7 which, in turn, has been invested in a qualified low-income community investment  
8 on a credit allowance date of such investment which occurs during the taxable year  
9 may claim a credit against the person's ~~Louisiana~~ corporation income or corporation  
10 franchise tax for such taxable year equal to the applicable percentage of the adjusted  
11 purchase price paid to the issuer of such qualified equity investment for such  
12 investment which, in turn, has been invested in qualified low-income community  
13 investments for such credit allowance date.

14 D. The total of all such credits taken by any person under this Section shall  
15 not exceed such person's total combined corporation income and corporation  
16 franchise tax liability for that taxable year. Any credits that are not used in the first  
17 taxable year eligible for use shall carry forward and be eligible for use in future  
18 taxable years for a period not to exceed ten years.

19 E.

20 \* \* \*

21 (4)(a) All entities taxed as corporations for Louisiana income tax and  
22 franchise tax purposes shall claim any credit allowed under this Section on their  
23 corporation income and franchise tax return.

24 (b) ~~Individuals, estates,~~ Estates and trusts shall claim any credit allowed  
25 under this Section on their income tax return.

26 (c) Entities not taxed as corporations shall claim any credit allowed under  
27 this Section on the returns of the partners or members as follows:

28 (i) Corporate partners or members shall claim their share of the credit on  
29 their corporation income tax or franchise tax returns.

1 (ii) ~~Individual partners or members shall claim their share of the credit on~~  
2 ~~their individual income tax or franchise tax returns.~~

3 (iii) Partners or members that are estates or trusts shall claim their share of  
4 the credit on their fiduciary income tax returns.

5 \* \* \*

6 F.(1) Any tax credits not previously claimed by any taxpayer against its  
7 corporation income or franchise tax may be transferred or sold to another Louisiana  
8 taxpayer, subject to the following conditions:

9 \* \* \*

10 §6017. Tax credits for certain expenses paid by economic development corporations

11 A. There shall be allowed a credit against any Louisiana corporation income  
12 or corporation franchise taxes for the filing fee paid to the Louisiana State Bond  
13 Commission that is incurred by an economic development corporation in the  
14 preparation and issuance of bonds, as provided for in Chapter 27 of Title 33 of the  
15 Louisiana Revised Statutes of 1950. The credit shall be an amount equal to the  
16 amount of the filing fee paid to the Louisiana State Bond Commission that is  
17 incurred by the corporation in the preparation and issuance of the bonds.

18 \* \* \*

19 §6018. Tax credits for purchasers from "PIE contractors"

20 \* \* \*

21 B. There shall be allowed a credit in each tax year beginning on and after  
22 January 1, 2007, against the Louisiana corporation income tax and the Louisiana  
23 corporate franchise tax for any ~~individual~~ or business which purchases specialty  
24 apparel items, including but not limited to industrial clothes, uniforms, and scrubs,  
25 from a contractor in a certified Private Sector/Prison Industry Enhancement Program  
26 which employs inmates of Louisiana correctional institutions to manufacture such  
27 apparel.

28 \* \* \*

1 D. Notwithstanding anything to the contrary in either Chapter 1 or Chapter  
2 5 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, as amended,  
3 the following rules shall apply with respect to the application of the credit provided  
4 for in this Section:

5 (1) All entities taxed as corporations for Louisiana income tax purposes shall  
6 claim any credit allowed under this Section on their corporation income tax return.

7 (2) ~~Individuals shall claim any credit allowed under this Section on their~~  
8 ~~individual income tax return.~~

9 (3) Entities not taxed as corporations shall claim any credit allowed under  
10 this Section on the returns of the partners or members as follows:

11 (a) Corporate partners or members shall claim their share of the credit on  
12 their corporation income tax returns.

13 (b) ~~Individual partners or members shall claim their share of the credit on~~  
14 ~~their individual income tax returns.~~

15 (c) Partners or members that are estates or trusts shall claim their share of the  
16 credit on their fiduciary income tax returns.

17 \* \* \*

18 §6019. Tax credit; rehabilitation of historic structures

19 A.(1)(a) There shall be a credit against corporation income and corporation  
20 franchise tax for the amount of eligible costs and expenses incurred during the  
21 rehabilitation of a historic structure located in a downtown development or a cultural  
22 product district. The credit shall not exceed twenty-five percent of the eligible costs  
23 and expenses of the rehabilitation. No taxpayer, or any entity affiliated with such  
24 taxpayer, shall receive more than five million dollars of credit for any number of  
25 structures rehabilitated within a particular downtown development or cultural  
26 product district.

27 \* \* \*

28 (3)(a) The credit shall be allowed against the corporation income tax for the  
29 taxable period in which the credit is earned and against the franchise tax for the

1 taxable period following the taxable period in which the credit is earned. If the tax  
2 credit allowed pursuant to this Section exceeds the amount of such taxes due, any  
3 unused credit may be carried forward as a credit against subsequent tax liability for  
4 a period not to exceed five years. This credit may be used in addition to the twenty  
5 percent federal tax credit for such purposes.

6 (b)(i)(aa) Persons who are awarded tax credits may elect to sell their unused  
7 tax credits to one or more ~~individuals or~~ entities. The tax credits may be transferred  
8 or sold by a taxpayer or any subsequent transferee an unlimited number of times.

9 (bb) The transfer of the credit does not extend the carry forward period of  
10 the credit.

11 (cc) Transferors and transferees shall submit to the state historic preservation  
12 office and to the Department of Revenue in writing a notification of any transfer or  
13 sale of tax credits within thirty days after the transfer or sale of such tax credits. The  
14 notification shall include the transferor's tax credit balance prior to transfer, the  
15 credit identification number assigned by the state historic preservation office, the  
16 remaining balance after transfer, all federal and Louisiana tax identification numbers  
17 for both transferor and transferee, the date of transfer, the amount transferred, and  
18 any other information required by the state historic preservation office or the  
19 Department of Revenue. Failure to comply with this notification provision will  
20 result in the disallowance of the tax credit until the parties are in full compliance.

21 (ii)(aa) All entities taxed as corporations for Louisiana income or corporation  
22 franchise tax purposes shall claim any credit allowed under this Section on their  
23 corporation income and corporation franchise tax return.

24 (bb) ~~Individuals shall claim any credit allowed under this Section on their~~  
25 ~~individual income tax return.~~

26 (cc) Estates or trusts shall claim any credit allowed under this Section on  
27 their fiduciary income tax returns.

28 ~~(dd)~~ (cc) Entities not taxed as corporations shall claim any credit allowed  
29 under this Section on the returns of the partners or members as follows:

1 (I) Corporate partners or members shall claim their share of the credit on  
2 their corporation income or corporation franchise tax returns.

3 (II) ~~Individual partners or members shall claim their share of the credit on~~  
4 ~~their individual income tax returns.~~

5 (III) Partners or members that are estates or trusts shall claim their share of  
6 the credit on their fiduciary income tax returns.

7 \* \* \*

8 (ii)(aa) All entities taxed as corporations for Louisiana income or corporation  
9 franchise tax purposes shall claim any credit allowed under this Section on their  
10 corporation income and corporation franchise tax return.

11 (bb) Individuals shall claim any credit allowed under this Section on their  
12 individual income tax return.

13 (cc) Estates or trusts shall claim any credit allowed under this Section on  
14 their fiduciary income tax returns.

15 (dd) Entities not taxed as corporations shall claim any credit allowed under  
16 this Section on the returns of the partners or members as follows:

17 (I) Corporate partners or members shall claim their share of the credit on  
18 their corporation income or corporation franchise tax returns.

19 (II) Individual partners or members shall claim their share of the credit on  
20 their individual income tax returns.

21 (III) Partners or members that are estates or trusts shall claim their share of  
22 the credit on their fiduciary income tax returns.

23 B.(1) Definitions. For purposes of this Section, the following words and  
24 phrases shall have the meanings ascribed to them in this Subsection:

25 (a) "Cultural product district" shall mean a district designated by a local  
26 governing authority in accordance with law for the purpose of revitalizing a  
27 community by creating a hub of cultural activity, including affordable artist housing  
28 and workspace. The Department of Culture, Recreation and Tourism shall develop  
29 standard criteria for cultural product districts. Such criteria shall include that the

1 district must be geographically contiguous and distinguished by cultural resources  
 2 that play a vital role in the life and cultural development of a community. The  
 3 district shall focus on a cultural compound, a major art institution, art and  
 4 entertainment businesses, an area with arts and cultural activities or cultural or  
 5 artisan production and be engaged in the promotion, preservation, and educational  
 6 aspects of the arts and culture of the locale and contribute to the public through  
 7 interpretive and educational uses. The Department of Culture, Recreation and  
 8 Tourism may determine whether or not a district complies with this definition.

9 (b) "Downtown development district" shall mean a downtown development  
 10 district or central business development district created by law, pursuant to law, or  
 11 by ordinance adopted prior to January 1, 2002, in a home rule charter municipality.

12 (c) "Eligible costs and expenses" shall mean qualified rehabilitation  
 13 expenditures as defined in Section 47c(2)(A) of the Internal Revenue Code of 1986,  
 14 as amended, except that "substantially rehabilitated" shall mean that the qualified  
 15 rehabilitation expenditures must exceed ten thousand dollars.

16 (2) Federal law terms. Except as otherwise provided or clearly appearing  
 17 from the context, any term used in this Section shall have the same meaning as when  
 18 used in a comparable context in federal law.

19 C. The provisions of this Section shall be effective for the taxable years  
 20 ending prior to January 1, 2016.

21 §6020. Angel Investor Tax Credit Program

22 \* \* \*

23 D. Tax Credits.

24 \* \* \*

25 (2)(a) An investor may apply for and, if qualified, be granted a credit on any  
 26 corporation income or corporation franchise tax liability owed to the state by the  
 27 taxpayer seeking to claim the credit in the amount approved by the secretary of the  
 28 department. The amount of the tax credit shall be based upon the amount of money  
 29 invested by the investor in the Louisiana Entrepreneurial Business, which investment

1 shall not exceed one million dollars per year per business and two million dollars  
2 total per business. Except as otherwise provided in Subparagraph (b) of this  
3 Paragraph, the credit shall be allowed against the corporation income tax for the  
4 taxable period in which the credit is earned and the franchise tax for the taxable  
5 period following the period in which the credit is earned. The credits approved by  
6 the department shall be granted at the rate of thirty-five percent of the amount of the  
7 investment with the credit divided in equal portions for five years.

8 (b) After certifying the eligibility of the Louisiana Entrepreneurial Business  
9 and the amount of the investment, the secretary of the department shall issue a tax  
10 credit certificate, a copy of which is to be attached to the tax return of the angel  
11 investor. The tax credit available in the first year shall become deductible from tax  
12 liability in the taxpayer's corporation income tax year which occurs twenty-four  
13 months from the date the department certifies the amount of the investment.

14 \* \* \*

15 (3)(a) All entities taxed as corporations for Louisiana income or corporation  
16 franchise tax purposes shall claim any credit allowed under this Section on their  
17 corporation income and corporation franchise tax return.

18 (b) ~~Individuals shall claim any credit allowed under this Section on their~~  
19 ~~individual income tax return.~~

20 (c) Estates or trusts shall claim any credit allowed under this Section on their  
21 fiduciary income tax returns.

22 (d) (c) Entities not taxed as corporations shall claim any credit allowed under  
23 this Section on the returns of the partners or members as follows:

24 (i) Corporate partners or members shall claim their share of the credit on  
25 their corporation income or corporation franchise tax returns.

26 (ii) ~~Individual partners or members shall claim their share of the credit on~~  
27 ~~their individual income tax returns.~~



1           (iii) Partners or members that are estates or trusts shall claim their share of  
2           the credit on their fiduciary income tax returns.

3                                   \*           \*           \*

4           §6022. Digital interactive media and software tax credit

5                                   \*           \*           \*

6                           E. Use of tax credits

7                                   \*           \*           \*

8                           (2) For tax credits earned for expenditures made on or after January 1, 2012:

9                           (a) The tax credits shall be refundable and allowed against the ~~individual or~~  
10           corporate income tax liability of the companies or financiers of the project in  
11           accordance with their share of the credit as provided for in the application for  
12           certification for the project. The credit shall be allowed for the taxable period in  
13           which expenditures eligible for a credit are expended as set forth in the final tax  
14           credit certification letter. Any excess of the credit over the income tax liability  
15           against which the credit may be applied shall constitute an overpayment, as defined  
16           in R.S. 47:1621(A), and the secretary of the Department of Revenue shall make a  
17           refund of such overpayment from the current collections of the taxes imposed by  
18           Chapter 1 of Subtitle II of this Title, as amended. The right to a refund of any such  
19           overpayment shall not be subject to the requirements of R.S. 47:1621(B).

20                                   \*           \*           \*

21           §6023. Sound recording investor tax credit

22                           C. Investor tax credit; state-certified productions and infrastructure projects.

23                           (1) Until January 1, 2015, there is hereby authorized a credit against the state  
24           corporation income tax for investments made in state-certified productions and state-  
25           certified sound recording infrastructure projects. The tax credit shall be earned by  
26           investors at the time expenditures are certified by the Louisiana Department of  
27           Economic Development according to the total base investment certified for the sound  
28           recording production company per calendar year; however, no credit shall be allowed

1 under this Section for any expenditures for which a credit was granted under R.S.  
2 47:6007. For state-certified productions certified on and after July 1, 2007, and state-  
3 certified infrastructure projects which have applied on or before August 1, 2009,  
4 each investor shall be allowed a tax credit of twenty-five percent of the base  
5 investment made by that investor in excess of fifteen thousand dollars.

6 \* \* \*

7 §6025. Tax credit for Louisiana Citizens Property Insurance Corporation assessment

8 A.(1) There shall be allowed a credit against Louisiana corporation income  
9 tax due in a taxable year for the amount of surcharges, market equalization charges,  
10 or assessments paid by a taxpayer during the taxable year as a result of the 2005  
11 regular assessment or the emergency assessments levied due to Hurricanes Katrina  
12 and Rita by Louisiana Citizens Property Insurance Corporation for the FAIR Plan  
13 and Coastal Plan, as they are defined in R.S. 22:2292.

14 \* \* \*

15 §6030. Wind or solar energy systems tax credit

16 A. There shall be a credit against ~~the~~ corporation income tax for the cost of  
17 purchase and installation of a wind energy system or solar energy system, or both,  
18 ~~by a taxpayer at his residence located in this state, by the owner of a residential rental~~  
19 ~~apartment project, or by a taxpayer who purchases and installs such a system in a~~  
20 ~~residence or a residential rental apartment project which is located in Louisiana. The~~  
21 ~~credit may be claimed in cases where the resident individual purchases a newly~~  
22 ~~constructed home with such a system already installed or where such a system is~~  
23 ~~purchased and installed at an existing home, or where such systems are taxpayer~~  
24 purchases a system that is installed in new or existing apartment projects. Only one  
25 such tax credit shall be available for any eligible system. Once a tax credit  
26 authorized pursuant to this Section is claimed by a taxpayer for a particular system,  
27 that same system shall not be eligible for any other tax credit pursuant to this

1 Section. If the residential property or system is sold, the taxpayer who claimed the  
2 tax credit shall disclose his use of the tax credit to the purchaser.

3 \* \* \*

4 E. Credits may be claimed in accordance with the following:

5 (1) Any entity taxed as a corporation for Louisiana income tax and franchise  
6 tax purposes shall claim any credit authorized according to the provisions of this  
7 Section on its corporation income and franchise tax return.

8 (2) ~~Any individual, estate, or trust shall claim any credit authorized~~  
9 ~~according to the provisions of this Section on its income tax return.~~

10 (3) Any entity not taxed as a corporation shall claim any credit authorized  
11 according to the provisions of this Section on the returns of the partners or members  
12 as follows:

13 (a) Corporate partners or members shall claim their share of the credit on  
14 their corporation income tax or franchise tax returns.

15 (b) Individual partners or members shall claim their share of the credit on  
16 their ~~individual income tax~~ or franchise tax returns.

17 (c) Partners or members that are estates or trusts shall claim their share of the  
18 credit on their fiduciary income tax returns.

19 \* \* \*

20 §6032. Tax credit for certain milk producers

21 A. A resident taxpayer engaged in the business of producing milk for sale  
22 shall be allowed a refundable tax credit based on the amount of milk produced and  
23 sold. The credit may be claimed against any Louisiana corporation income tax and  
24 the corporation franchise tax. The credit shall be allowed when the USDA Uniform  
25 Price in Federal Order Number 7 drops below the announced production price any  
26 time during the calendar year.

27 \* \* \*

1 §6033. Apprenticeship tax credits

2 \* \* \*

3 B.(1) For all taxable periods beginning after December 31, 2007, and ending  
4 prior to January 1, 2015, employers shall be allowed a ~~non-refundable~~ nonrefundable  
5 apprenticeship tax credit against any Louisiana ~~individual or~~ corporation income tax  
6 or corporation franchise tax each tax year equal to one dollar for each hour of  
7 employment of each eligible apprentice, not to exceed one thousand hours for each  
8 eligible apprentice, all as provided for in this Section.

9 \* \* \*

10 C. The credits provided for in this Section shall be allowed against  
11 corporation income tax or corporate franchise tax for the taxable period in which the  
12 credit is earned. If the tax credit exceeds the amount of such taxes due, then any  
13 unused credit may be carried forward as a credit against subsequent tax liability for  
14 a period not to exceed ten years.

15 D. Notwithstanding anything to the contrary in either Chapter 1 or Chapter  
16 5 of Subtitle II of this Title ~~47~~, as amended, the following rules shall apply with  
17 respect to the application of the credit established in Subsection B of this Section:

18 (1) The credit for taxes paid by or on behalf of a corporation shall be applied  
19 against Louisiana corporate income and corporation franchise taxes of such  
20 corporation.

21 ~~(2) The credit for taxes paid by an individual shall be applied against~~  
22 ~~Louisiana personal income taxes.~~

23 ~~(3)~~ The credit for taxes paid by or on behalf of a corporation classified under  
24 Subchapter S of the Internal Revenue Code of 1954, as amended, as an S corporation  
25 shall be applied first against any Louisiana corporate income and corporation  
26 franchise taxes due by such S corporation, ~~and the remainder of any such credit shall~~  
27 ~~be allocated to the shareholder or shareholders of such S corporation in accordance~~

1 ~~with their respective interests and applied against the Louisiana income tax of such~~  
2 ~~shareholder or shareholders of the S corporation.~~

3 ~~(4)~~ (3) The credit for taxes paid by or on behalf of a partnership shall be  
4 allocated to the partners according to their distributive shares of partnership gross  
5 income and applied against any Louisiana corporation income tax and corporation  
6 franchise tax liability of such partners.

7 ~~(5)~~ (4) The character of the credit for taxes paid by or on behalf of a  
8 partnership or S corporation and allocated to the partners or shareholders,  
9 respectively, of such partnership or S corporation, shall be determined as if such  
10 credit were incurred by such partners or shareholders, as the case may be in the same  
11 manner as incurred by the partnership or S corporation, as the case may be.

12 ~~(6)~~ (5) The credit for taxes paid by an estate or trust shall be applied against  
13 the Louisiana income tax imposed on estates and trusts.

14 \* \* \*

15 §6034. Musical and theatrical production income tax credit

16 \* \* \*

17 D.(1) The credit shall be allowed against ~~individual or~~ corporate income tax  
18 of the companies or financiers of the production or infrastructure project in  
19 accordance with their share of the credit as provided for in the application for  
20 certification for the production or infrastructure project. A company or financier  
21 may on a one-time basis, transfer the credit, and/or any refund of an overpayment,  
22 to an individual or other entity including without limitation a bank or other lender,  
23 provided that the transfer shall not be effective until receipt by the Department of  
24 Revenue of written notice of such transfer. The credit shall be allowed for the  
25 taxable period in which expenditures eligible for a credit are expended. Any excess  
26 of the credit over the income tax liability against which the credit may be applied  
27 shall constitute an overpayment, as defined in R.S. 47:1621(A), and the secretary of  
28 the Department of Revenue shall make a refund of such overpayment from the

1 current collections of the taxes imposed by Chapter 1 of Subtitle II of this Title, as  
2 amended. The right to a refund of any such overpayment shall not be subject to the  
3 requirements of R.S. 47:1621(B).

4 (2) Application of the credit.

5 (a) ~~Individuals, estates,~~ Estates and trusts shall claim their share of any credit  
6 on their income tax return.

7 (b) Entities not taxed as corporations shall claim their share of any credit on  
8 the returns of the partners or members.

9 (c) Corporate partners or members shall claim their share of any credit on  
10 their corporation income tax returns.

11 ~~(d) Individual partners or members shall claim their share of any credit on~~  
12 ~~their individual income tax returns.~~

13 ~~(e)~~ Partners or members that are estates or trusts shall claim their share of  
14 any credit on their fiduciary income tax returns.

15 \* \* \*

16 §6035. Tax credit for conversion of vehicles to alternative fuel usage

17 \* \* \*

18 C. The credit provided for in Subsection A of this Section shall be allowed  
19 against ~~individual or~~ corporate income tax for the taxable period in which the  
20 property is purchased and installed, if applicable, and shall be equal to fifty percent  
21 of the cost of the qualified clean-burning motor vehicle fuel property.

22 \* \* \*

23 F. ~~A husband and wife who file separate returns for a taxable year in which~~  
24 ~~they could have filed a joint return may each claim only one-half of the tax credit~~  
25 ~~that would have been allowed for a joint return.~~

26 ~~G.~~ The secretary of the Department of Revenue in consultation with the  
27 secretary of the Department of Natural Resources shall promulgate rules and

1 regulations in accordance with the Administrative Procedure Act as are necessary to  
2 implement the provisions of this Section.

3 §6036. Ports of Louisiana tax credits

4 \* \* \*

5 C. Investor tax credit.

6 (1)(a) There are hereby authorized the following credits against state  
7 corporation income and corporate franchise tax:

8 \* \* \*

9 (4) Application of the credit.

10 (a) All entities taxed as corporations for Louisiana income tax purposes shall  
11 claim any credit allowed under this Subsection on their corporation income tax  
12 return.

13 (b) ~~Individuals, estates,~~ Estates and trusts shall claim any credit allowed  
14 under this Subsection on their income tax return.

15 (c) Entities not taxed as corporations shall claim any credit allowed under  
16 this Subsection on the returns of the partners or members as follows:

17 (i) Corporate partners or members shall claim their share of the credit on  
18 their corporation income tax returns.

19 (ii) ~~Individual partners or members shall claim their share of the credit on~~  
20 ~~their individual income tax returns.~~

21 (iii) Partners or members that are estates or trusts shall claim their share of  
22 the credit on their fiduciary income tax returns.

23 \* \* \*

24 I. Import Export Cargo Credit.

25 \* \* \*

26 (2)(a)(i) For taxable years beginning on and after January 1, 2009, there shall  
27 be allowed a credit against the ~~individual income,~~ corporation income; and  
28 corporation franchise tax liability of a taxpayer who has received certification

1           pursuant to the provisions of Paragraph (1) of this Subsection. The amount of the  
2           credit shall be equal to the product of multiplying five dollars by the taxpayer's  
3           number of tons of qualified cargo for the taxable year but only for the total amount  
4           of the allocation provided to the taxpayer by the secretary of the Department of  
5           Economic Development for such taxable year.

6   \*           \*           \*

7           §6037. Tax credit for "green job industries"

8   \*           \*           \*

9                   B. ~~Income~~ Corporation income tax credits for state-certified green projects:

10   \*           \*           \*

11                   C.(1) The credit shall be allowed against ~~individual~~ or corporate income tax  
12           of the companies or financiers of the project in accordance with their share of the  
13           credit as provided for in the application for certification for the project. A company  
14           or financier may on a one-time basis, transfer the credit, or any refund of an  
15           overpayment, to an individual or other entity including without limitation a bank or  
16           other lender, provided that the transfer shall not be effective until receipt by the  
17           Department of Revenue of written notice of such transfer. The credit shall be  
18           allowed for the taxable period in which expenditures eligible for a credit are  
19           expended. Any excess of the credit over the income tax liability against which the  
20           credit may be applied shall constitute an overpayment, as defined in R.S.  
21           47:1621(A), and the secretary shall make a refund of such overpayment from the  
22           current collections of the taxes imposed by Chapter 1 of Subtitle II of this Title, as  
23           amended. The right to a refund of any such overpayment shall not be subject to the  
24           requirements of R.S. 47:1621(B).

25                   (2) Application of the credit.

26                   (a) ~~Individuals, estates, and trusts shall claim their share of any credit on~~  
27           ~~their income tax return.~~





1 §6107. Business-supported child care

2 A.(1) There shall be a refundable credit against any Louisiana ~~individual or~~  
3 corporation income tax or corporation franchise tax for the eligible business child  
4 care expenses supported by a business. The credit shall be the following percentages  
5 of such eligible business child care expenses depending upon the quality rating of the  
6 child care facility to which the expenses are related or the quality rating of the child  
7 care facility the child attends:

8 Quality Rating of Child Care Facility	9 Percentage of eligible business child care expenses
10 Five star	20%
11 Four star	15%
12 Three star	10%
13 Two star	5%
14 One star or nonparticipating facility	0

15 (2) There shall be an additional refundable credit against any Louisiana  
16 ~~individual or~~ corporation income tax or corporation franchise tax for the payment by  
17 a business of fees and grants to child care resource and referral agencies not to  
18 exceed five thousand dollars per tax year.

19 B. The credits provided for in this Section shall be allowed against  
20 corporation income tax or corporate franchise tax for the taxable period in which the  
21 credit is earned. If the tax credit exceeds the amount of such taxes due, then the  
22 unused credit shall be refunded as provided for in R.S. 47:6108.

23 §6108. Refundable tax credits

24 \* \* \*

25 B. Notwithstanding anything to the contrary in either Chapter 1 or Chapter  
26 5 of Subtitle II of this Title, as amended, the following rules shall apply with respect  
27 to the application of the credit established in Subsection A of this Section:

1           (1) The credit for taxes paid by or on behalf of a corporation shall be applied  
2           against Louisiana corporate income and corporation franchise taxes of such  
3           corporation.

4           ~~(2) The credit for taxes paid by an individual shall be applied against~~  
5           ~~Louisiana personal income taxes.~~

6           ~~(3) The credit for taxes paid by or on behalf of a corporation classified under~~  
7           ~~Subchapter S of the Internal Revenue Code of 1954, as amended, as an S corporation~~  
8           ~~shall be applied first against any Louisiana corporate income and corporation~~  
9           ~~franchise taxes due by such S corporation, and the remainder of any such credit shall~~  
10          ~~be allocated to the shareholder or shareholders of such S corporation in accordance~~  
11          ~~with their respective interests and applied against the Louisiana income tax of such~~  
12          ~~shareholder or shareholders of the S corporation.~~

13          ~~(4)~~ (3) The credit for taxes paid by or on behalf of a partnership shall be  
14          allocated to the partners according to their distributive shares of partnership gross  
15          income and applied against any ~~Louisiana income tax~~ and corporation franchise tax  
16          liability of such partners.

17          ~~(5)~~ (4) The character of the credit for taxes paid by or on behalf of a  
18          partnership or S corporation and allocated to the partners or shareholders,  
19          respectively, of such partnership or S corporation, shall be determined as if such  
20          credit were incurred by such partners or shareholders, as the case may be in the same  
21          manner as incurred by the partnership or S corporation, as the case may be.

22          ~~(6)~~ (5) The credit for taxes paid by an estate or trust shall be applied against  
23          the Louisiana income tax imposed on estates and trusts.

24          Section 2. R.S. 47:33, 43, 44, 45 through 51, 53 through 54, 56 through 59, 60, 60.1,  
25          65, 68, 79, 294, 297(B) through (D) and (F) through (P), 297.1 through 297.12, 6104, and  
26          6106 are hereby repealed in their entirety.

27          Section 3. This Act shall become effective on January 1, 2014.

---

 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)]

---

Richard

HB No. 689

**Abstract:** Reduces the tax levied on the net income of individuals and repeals certain income tax deductions, exemptions, and credits.

Present law provides for a tax to be assessed, levied, collected, and paid upon the taxable income of an individual to be computed as follows:

- (1) 2% on that portion of the first \$12,500 of net income;
- (2) 4% on the next \$37,500 of net income;
- (3) 6% on any amount of net income in excess of \$50,000.

Proposed law reduces the present law rates of the tax on the net income of individuals as follows:

- (1) 1.25% on the first \$12,500 of net income.
- (2) 2.5% on the next \$37,500 of net income.
- (3) 3.75% on any amount of net income in excess of \$50,000.

Present law provides that in the case of joint returns, the combined tax of present law shall be doubled.

Proposed law retains present law.

Present law provides for an income tax credit as an incentive for an individual to donate or sell below cost, tangible movable property to public educational institutions for purposes of research, research training, or the direct education of students.

Proposed law retains present law but deletes applicability of the credit to individual income tax.

Present law provides for an income tax deduction for construction code retrofitting, excess federal itemized personal deductions, and recreation volunteer and volunteer firefighter deductions.

Proposed law repeals present law.

Present law provides that purposes of computing the individual income tax, the term "taxable income" for resident individuals, shall mean adjusted gross income plus interest on certain obligations of a state or political subdivision, less items such as gratuitous loans, federal income tax liability, excess personal exemptions, amounts deposited into medical savings accounts, amounts deposited into educational savings accounts, certain exclusions for S Bank shareholders, certain expenses disallowed by federal law in computing net

income, the temporary teacher deduction, excess federal itemized deductions, elementary and secondary school tuition deductions, certain education expenses for home-schooled children, deduction of fees and other educational expenses for a quality public education, income from net capital gains, interest on certain obligations, certain income distributed from trusts, and certain income for individuals on active duty as a member of the armed forces of the U.S.

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 ad valorem taxes paid to political subdivisions on inventory held by manufacturers, distributors, and retailers and on natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities. The amount of the credit shall be equal to 100% of the inventory taxes paid to the political subdivision.

Present law provides for an income or corporation franchise tax credit for ad valorem taxes paid without protest to political subdivisions on vessels in Outer Continental Shelf Lands Act Waters as certified to the assessor within the calendar year immediately preceding the taxable year of assessment of such vessel. The amount of the credit shall be equal to 100% of the ad valorem taxes paid to the political subdivision.

Present law provides for an income tax credit for La. taxpayers for investment in state-certified productions earned at the time expenditures are made by a motion picture production company in a state-certified production. The amount of the credit shall be equal to 30% of the base investment made by the investor if the total base investment is more than \$300,000. Additionally provides for a credit equal to 5% of base investment expended on payroll for La. residents employed in connection with a state-certified production. However, this credit does not apply to the payroll of any one person that exceeds \$1 million.

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 one-half of the value of the cash, equipment, goods, or services donated.

Present law provides for an income or corporation franchise tax credit for a 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 ad valorem taxes paid to political subdivisions by a telephone company for the company's public service properties. The amount of the credit shall be equal to 40% of the aggregate ad valorem taxes paid by the telephone company to the political subdivision.

Present law provides for a refundable income and corporation franchise tax credit to encourage new and continuing efforts to conduct research and development activities within

this state. The amount of the credit varies depending on the number of persons and claims for the taxable year an income tax credit is authorized under current federal law. Present law further prohibits credits for research expenditures incurred or Small Business Innovation Research Grant funds received after Dec. 31, 2019.

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 or corporation franchise tax credit for certain investments in qualified low-income communities. The amount of the credit varies depending on the amount of the investment.

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 and corporation franchise tax credit for the expenses incurred during the rehabilitation of a historic structure located in a downtown development or a cultural product district. The amount of the credit shall not exceed 25% of the eligible costs and expenses of the rehabilitation. Present law prohibits a taxpayer, or an entity affiliated with a taxpayer, from receiving more than \$5 million of credit for any number of rehabilitated structures within a particular downtown development or cultural product district. Present law provides that the tax credit shall be effective for the taxable years ending prior to Jan. 1, 2016.

Present law provides for an income or corporation franchise tax credit for the purpose of encouraging investment in early stage wealth-creating businesses and to enlarge the number of quality jobs available to retain young people educated in this state. The amount of the credit varies based on the amount of money invested in La. Entrepreneurial Businesses.

Present law provides for an income or corporation franchise tax credit for applications for state-certified digital interactive media productions submitted to the office of entertainment industry development in the Dept. of Economic Development. The amount of the credit shall be equal to 25% of the base investment in the state-certified digital interactive media production. Present law provides for an additional tax credit of 10% of payroll to the extent that the investment is expended on payroll for La. residents employed in connection with a state-certified production.

Present law provides for an income tax credit for investments made in state-certified productions and state-certified sound recording infrastructure projects until Jan. 1, 2015. The amount of the credit is equal to 25% of the base investment in excess of \$15,000 for productions certified on or after July 1, 2007, and for infrastructure projects which have applied for the credit on or before Aug. 1, 2009.

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 an income tax credit for the cost of purchase and installation of a wind or solar energy system, or both, by a taxpayer at his La. residence, by the owner of a residential rental apartment project, or by a taxpayer who purchases and installs a system in a residence or a residential rental apartment project located in La. Present law limits one credit per system. The amount of the credit shall be equal to 50% of the first \$25,000 of the cost of each wind energy system or solar energy system, including installation costs, purchased and installed on or after Jan. 1, 2008.

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 a refundable income and corporation franchise tax credit for purposes of promoting job training in the workforce and producing a quality workforce. The amount of the credit is equal to \$1 for each hour of employment of each eligible apprentice, not to exceed 1,000 hours for each eligible apprentice.

Present law provides for an income tax credit for state-certified musical or theatrical facility infrastructure projects. The amount of the credit shall vary depending on the amount of the investment in such projects; however, the total amount of credits per project shall not exceed \$10 million and the total amount of credits per year shall not exceed \$60 million.

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.

Present law provides for an income and corporate franchise tax credit for the total capital costs of a project sponsored or undertaken by a public port and investing companies that have a capital cost of at least \$5 million and at which the predominant trade or business activity conducted will constitute industrial, warehousing, or port and harbor operations and cargo handling, including any port or port and harbor activity. The amount of the credit shall be equal to the total amount of capital costs of the project which shall be taken at 5% per tax year.

Present law provides for an income and corporation franchise Import Export tax credit for any breakbulk or containerized cargo brought to the state from a foreign country or from the state to a foreign country. The amount of the credit shall be equal to the product of multiplying \$5 by the number of tons of qualified cargo for the taxable year but only for the total amount provided by the secretary of the Dept. of Economic Development.

Present law provides for an income tax credit for certain expenditures for the construction, repair, or renovation of a state-certified green project. The amount of the credit is based on the amount of the investment.

Present law provides for a refundable income or corporation franchise tax credit for child care providers. The amount of the credit shall be equal to an amount based upon the average monthly number of children who either participate in the Child Care Assistance Program or who are foster children in the custody of the Dept. of Children and Family Services, and who are attending a child care facility or facilities operated by the child care provider, multiplied by an amount which shall be based upon the quality rating of each child care facility operated by the child care.

Present law provides for a refundable income tax or corporation franchise tax credit for eligible business child care expenses supported by a business. The amount of the credit shall be based on a percentage of eligible business child care expenses depending upon the quality rating of the child care facility to which the expenses are related or the quality rating of the child care facility the child attends. Present law provides for an additional refundable income or corporation franchise tax for the payment by a business of fees and grants to child care resource and referral agencies not to exceed \$5,000 per tax year.

Present law provides for an income and corporation franchise tax credit for investments which encourage the development, growth, and expansion of the private sector within the state by increasing access to capital in disadvantaged areas of the state. The amount of the credit is dependent on the amount of the private sector investment made by the taxpayer. Further provides that tax credits shall be allowed for qualified equity investments which have been invested in qualified low-income community investments until Dec. 31, 2013.

Proposed law retains present law but deletes applicability of such credits against individual income tax.

Present law provides for an individual income tax credit for child care expenses based on the quality rating of the child care facility which the child attends. The amount of the credit varies depending on the quality rating of the child care facility.

Proposed law repeals present law.

Present law provides for a refundable individual income tax credit for eligible child care directors and eligible child care staff. The amount of the credit varies based upon the qualifications of the provider.

Proposed law repeals present law.

Effective Jan. 1, 2014.

(Amends R.S. 47:32(A), 37(A), (B)(5), (C), (D)(2), and (E), 293, 6004(A)(2)(intro. para.), 6005(C)(1), 6006(A) and (B), 6006.1(A) and (B), 6007(C)(1), 6008(A), 6009(D)(1), 6014(A), (B), and (C), 6015(B)(1) and (2), 6016(C), (D), (E)(4), and (F)(1)(intro. para.), 6017(A), 6018(B) and (D), 6019(A)(1)(a) and (3), 6020(D)(2)(a) and (b) and (3), 6022(E)(2)(a), 6023(C)(1), 6025(A), 6030(A) and (E), 6032(A), 6033(B)(1), (C), and (D), 6034(D), 6035(C), (F), and (G), 6036(C)(1)(a)(intro. para.) and (4) and (I)(2)(a)(i), 6037(B)(intro. para.) and (C), 6105, 6107, and 6108(B); Repeals R.S. 47:33, 43, 44, 45-51, 53-54, 56-59, 60, 60.1, 65, 68, 79, 294, 297(B)-(D) and (F)-(P), 297.1-297.12, 6104, and 6106)