
DIGEST

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Thibaut

HB No. 563

Abstract: Amends the research and development tax credit and provides for eligibility for the credit, administration of the credit, and for the examination of documents which support the credit.

Present law provides for research and development state tax credits for taxpayers who employ a certain number of people and who are eligible for federal tax credits for qualified expenditures.

Proposed law retains present law and provides that taxpayers seeking the tax credit shall provide certain federal income tax information that is requested by the Department of Economic Development. Proposed law also provides that taxpayers who can provide an independent certified public accountant's report showing that the taxpayer would not benefit from the federal tax credit may now be eligible for the state tax credit. Proposed law further provides that professional services firms and businesses primarily engaged in custom manufacturing and custom fabricating are not eligible for the tax credit.

Proposed law requires the Department of Economic Development to perform a detailed examination of at least ten percent of the tax credit applications, including a review and verification of documents to support qualified research expenditures.

Proposed law provides that the applicant shall bear the burden of proofing that its research activities meet federal guidelines.

Proposed law provides that the department shall disallow tax credits not supported by documentation and may recover, recapture, or offset tax credits previously issued but subsequently found to be disallowed after examination.

Effective on July 1, 2013.

(Amends R.S. 47:6015(B), (C)(2)(c), (G), (H), and (I); Adds R.S. 47:6015(J))