
DIGEST

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HB 727 Original

2015 Regular Session

Hunter

Abstract: Reduces certain income and corporation franchise income tax credits by 20%.

Present law (R.S. 47:297.9) provides for an individual income tax credit for the amount paid by an active or reserve military service member for a La. noncommercial hunting or fishing license.

Proposed law retains present law but reduces the amount of the credit from 100% of the amount of the license to 80%.

Present law (R.S. 47:6004) 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 is \$750 and is 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.

Proposed law retains present law but reduces the amount of the credit from \$750 to \$600.

Present law (R.S. 47:6005) provides an income tax or corporation franchise tax credit for taxpayers who purchase qualified new recycling manufacturing or process equipment or qualified service contracts to be used or performed exclusively in the state. The amount of the credit is 20% of the cost of the equipment or service contract less the amount of any other tax credit received for the purchase of the equipment or contract. Further provides an annual program cap of \$5 million.

Proposed law retains present law but reduces the amount of the credit from 20% to 16% and reduces the annual program cap from \$5 million to \$4 million.

Present law (R.S. 47:6006) 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 is equal to 100% of the inventory taxes paid to the political subdivision.

Proposed law retains present law but reduces the amount of the credit from 100% of ad valorem taxes paid to 80%.

Present law (R.S. 47:6006.1) 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. The amount of the credit is equal to 100% of the ad valorem taxes paid to the political subdivision.

Proposed law retains present law but reduces the amount of the credit from 100% to 80%.

Present law (R.S. 47:6007) 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 is 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 dollars.

Proposed law retains present law but reduces the amount of the credit from 30% of the investor's base investment to 24% and reduces the credit for payroll for La. residents from 5% to 4%.

Present law (R.S. 51:1924) provides an income tax credit for a taxpayer who invests in the certified capital of a certified La. capital company. The credit is equal to 35% of the taxpayer's cash investment. Further provides that the total credits granted in a calendar year shall not result in an additional reduction of tax revenues of more than \$2 million. Further provides that the total credits granted in a calendar year shall not result in an additional reduction of tax revenues of more than \$2 million.

Proposed law retains present law but reduces the amount of the credit from 35% to 28%, and reduces the amount of credits that can be granted in a calendar year without additional reduction in revenue from \$2 million to \$1.6 million.

Present law (R.S. 51:2354) provides an income and corporation franchise tax credit for investments by the taxpayer in commercialization costs for certain business locations. The amount of the credit is equal to 40% of the amount of money invested. Further provides a credit for qualified new direct jobs. The credit is equal to 5% multiplied by the gross payroll of the qualified new direct jobs.

Proposed law retains present law but reduces the credit for commercialization costs from 40% of the amount invested to 32% of the amount invested and reduces the amount of the credit for qualified new direct jobs from 5% to 4% multiplied by the gross payroll of the qualified new direct jobs.

Present law (R.S. 51:2399.3) provides for an income or corporation franchise tax credit for amounts of qualified expenditures incurred by an employer for modernization. The amount of the credit is equal to 5% of the amount of qualified expenditures. Further provides an annual program cap of \$10 million.

Proposed law retains present law but reduces the amount of the credit from 5% to 4% and reduces the annual program cap from \$10 million to \$8 million.

Effective July 1, 2015.

(Amends R.S. 47:297.9(A), 6004(A)(2)(intro. para.), 6005(C)(1) and (D)(1), 6006(D)(5), 6006.1(E)(3), and 6007(C)(1)(c)(intro. para.) and (d) and R.S. 51: 1924(B)(1) and (2), 2354(A) and (B), 2399.3(A)(2)(a) and (b), and 3085(B)(1)(a); Adds R.S. 47:6006(D)(6), 6006.1(E)(4), 6007(C)(1)(c)(iii) and (e)