
DIGEST

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HB 759 Original

2015 Regular Session

Thierry

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

Present law (R.S. 47:6008) provides for an income or corporation franchise tax credit for qualified donations made to qualified playgrounds. The amount of the credit is equal to the lesser of \$1,000 or one-half of the value of the cash, equipment, goods, or services donated.

Proposed law retains present law but reduces the amount of the credit from the lesser of \$1,000 or 50% of the value of the cash, equipment, goods, or services donated to the lesser of \$800 or 40% of the value of the cash, equipment, goods, or services donated.

Present law (R.S. 47:6009) provides for an income or corporation franchise tax credit for a La. business or industry that supports and encourages employee basic skills training by satisfying criteria established in present law and that submit proper and complete applications. The amount of the credit is \$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.

Proposed law retains present law but reduces the amount of the credit from \$250 per participating employee to \$200 and reduces the total maximum amount of all basic skills training credits from \$30,000 to \$24,000 for any single business or industry in a particular tax year.

Present law (R.S. 47:6012) provides for an income and corporation franchise tax credit for employers within the state to donate materials, equipment, or instructors to public training providers registered with the La. Workforce Commission, or community colleges to assist in the development of training programs designed to meet industry needs. The amount of the credit is equal to 50% of the value of the donated materials, equipment, or services rendered by the instructor.

Proposed law retains present law but reduces the amount of the credit from 50% of the value of the donated materials, equipment, or services rendered by the instructor to 40%.

Present law (R.S. 47:6013) provides for a corporate income and corporation franchise tax credit for qualified donations made to a public school. The amount of the credit is equal to 40% of the appraised value of the qualified donation.

Proposed law retains present law but reduces the amount of the credit from 40% of the appraised

value of the qualified donation to 32%.

Present law (R.S. 47:6014) 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 is equal to 40% of the aggregate ad valorem taxes paid by the telephone company to the political subdivision.

Proposed law retains present law but reduces the amount of the credit from 40% of the aggregate ad valorem taxes paid by the telephone company to 32%.

Present law (R.S. 47:6015) provides for an income and corporation franchise tax credit for taxpayers who employ persons in the state and claims a federal income tax credit for increasing research activities. The credit is allowed at varying amounts.

Proposed law retains present law but reduces the amount of the credit as follows:

- (1) For a taxpayer who employs 100 person or more, from 8% to 6%.
- (2) For a taxpayer who employs 50-99 persons, from 20% to 16%.
- (3) For a taxpayer who employs less than 50 persons, from 40% to 32%.

Present law further provides for an income and corporation franchise tax credit for taxpayers who receive a federal Small Business Innovation Research Grant of 40% of the award received.

Proposed law retains present law and reduces the credit from 40% to 32% of the award received.

Present law (R.S. 47:6016.1) provides for the La. New Markets Jobs Act for purposes of a tax credit that may be claimed against insurance premium tax. Eligibility is based on the investment of private capital in a low-income community business in La. The annual program cap is \$55M. The amount of the credit is authorized in varying amounts based on a certain percentage multiplied by the amount of the qualified investment. The percentage multiplier is based on the credit allowance date. The credit allowance dates are based on the initial date of the qualified investment and each of the six successive anniversary dates of the initial date.

Proposed law retains present law but reduces the annual program cap from \$55M to \$44M and reduces the amount of the credit from 14% to 11% of the qualified investment for the 1st and 2nd credit allowance dates and reduces the amount of the credit from 8.5% to 7% of the qualified investment for the 3rd and 4th credit allowance dates.

Present law (R.S. 47:6017) provides for an income or corporation franchise tax credit for the filing fee paid to the La. State Bond Commission. The amount of the credit is equal to the amount of the filing fee paid.

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

the filing fee to 80%.

Present law (R.S. 47:6018) provides an income or corporation franchise tax credit for any individual or business that purchases specialty apparel items from a contractor in a certified Private Sector/Prison Industry Enhancement Program that employs inmates of Louisiana correctional institutions to manufacture specialty apparel items. The amount of the credit is equal to the state sales and use tax paid by the purchaser on each unit of apparel.

Proposed law retains present law but reduces the amount of the credit from an amount equal to the state sales and use tax to 80% of the state sales and use tax paid by the purchaser on each unit of apparel.

Effective July 1, 2015.

(Amends R.S. 47:6008(A), 6009(D)(1), 6012(B), 6013(A), 6014(A), 6015(C)(2) and (D), 6016.1(B)(1) and (E)(5), 6017(A), and 6018(C))