CONFERENCE COMMITTEE REPORT

HB 387 **2015 Regular Session** **Leger**

June 10, 2015

To the Honorable Speaker and Members of the House of Representatives and the Honorable President and Members of the Senate.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning House Bill No. 387 by Representative Leger, recommend the following concerning the Reengrossed bill:

1. That the set of Senate Committee Amendments proposed by the Senate Committee on Finance and adopted by the Senate on June 6, 2015, be rejected.

2. That the set of Senate Floor Amendments proposed by Senator Donahue and adopted by the Senate on June 8, 2015, be rejected.

3. That the Reengrossed bill be amended as follows:

AMENDMENT NO. 1

On page 1, line 2, after "reenact" delete the remainder of the line and insert "R.S. 47:6019(A)(1) and (2)(c) and (C),"

AMENDMENT NO. 2

On page 1, line 4, after "property;" and before "to provide" insert "to reduce the amount of the tax credit for properties placed into service after a certain date;"

AMENDMENT NO. 3

On page 1, line 8, after "Section 1." delete the remainder of the line and delete line 9 in its entirety and insert "R.S. 47:6019(A)(1) and (2)(c) and (C) are hereby amended and reenacted to read as follows:"

AMENDMENT NO. 4

On page 1, delete lines 11 and 12 in their entirety and insert the following:

"A.(1)(a) There shall be a credit against income and corporation franchise tax for the amount of eligible costs and expenses incurred during the rehabilitation of a historic structure located in a downtown development or a cultural district. The amount of the credit shall ~~not exceed~~ equal twenty-five percent of the eligible costs and expenses of the rehabilitation incurred prior to January 1, 2018, regardless of the year in which the property is placed in service. The amount of the credit shall equal twenty percent of the eligible costs and expenses of the rehabilitation incurred on or after January 1, 2018, regardless of the year in which the property is placed in service. ~~No taxpayer, or any entity affiliated with such taxpayer, shall claim more than five million dollars of credit annually for any number of structures rehabilitated within a particular downtown development or cultural district.~~

(b) The tax credit for qualified rehabilitation expenditures is earned only in the year in which the property attributable to the expenditures is placed in service. The amount of the tax credit shall be determined according to the values provided for in Subparagraph (a) of this Subsection.

(c) No taxpayer, or any entity affiliated with such taxpayer, shall claim more than five million dollars of credit annually for any number of structures rehabilitated with a particular downtown development or cultural district."

AMENDMENT NO. 5

On page 1, at the beginning of line 13, delete "(c)" and insert "(d)"

Respectfully submitted,

Representative Walt Leger III	Senator Jack Donahue
Representative Joel C. Robideaux	Senator Edwin R. Murray
Representative Helena Moreno	Senator John A. Alario, Jr.

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)]

CONFERENCE COMMITTEE REPORT DIGEST

HB 387 **2015 Regular Session** **Leger**

Keyword and oneliner of the instrument as it left the House

TAX/INCOME-CREDIT: Extends the sunset of the tax credit for the rehabilitation of historic structures for nonresidential property and provides eligibility requirements

Report rejects Senate amendments which would have:

1. Changed the sunset date of the credit from Jan. 1, 2022 to Jan. 1, 2019.

2. Added a $45 million cap for the amount of credits allowed in any taxable year.

3. Made technical changes.

Report amends the bill to:

1. Maintain the amount of the tax credit for 25% of eligible costs and expenses incurred prior to Jan. 1, 2018, and decrease the amount of the tax credit from 25% to 20% for eligible costs and expenses incurred on and after Jan. 1, 2018, regardless of the year in which the property is placed in service.

2. Made technical changes.

Digest of the bill as proposed by the Conference Committee

Present law provides for an income or corporation franchise tax credit for the amount of eligible costs and expenses incurred during the rehabilitation of a historic structure located in a downtown development district or a cultural district. Provides for an application fee. The credit shall not exceed 25% of the eligible costs and expenses and no taxpayer shall claim more than $5 million of credit annually for any number of structures rehabilitated within a particular downtown development or cultural district. The credit sunsets on Jan. 1, 2018.

Present law further provides that the tax credit for qualified rehabilitation expenditures is earned only in the year in which the property attributable to the expenditures is placed in service.

Proposed law retains present law with regard to the amount of the tax credit for eligible expenses incurred prior to Jan. 1, 2018, but reduces the amount of the tax credit from 25% to 20% of eligible costs and expenses incurred on and after Jan. 1, 2018, regardless of the year in which the property is placed in service.

Proposed law prohibits projects whose rehabilitation costs and expenses are paid for with state or federal funds from being eligible to receive the tax credits, unless the state or federal funds used in the rehabilitation are reported as taxable income or are structured as repayable loans.

Proposed law directs the state historic preservation office to consult with the Dept. of Revenue in determining the amount of the application fee to be collected and requires that the application fee be distributed equitably between the entities.

Present law provides for the sunset of present law for taxable years ending prior to Jan. 1, 2018.

Proposed law changes present law by extending the sunset of the program from taxable years ending prior to Jan. 1, 2018 to taxable years ending prior to Jan. 1, 2022.

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

(Amends R.S. 47:6019(A) and (2)(c) and (C))