

CONFERENCE COMMITTEE REPORT

HB 629**2015 Regular Session****Jackson**

June 11, 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. 629 by Representative Jackson, recommend the following concerning the Reengrossed bill:

1. That Senate Committee Amendments Nos. 1 through 4, 6, 8 through 69, 71, 74 through 93, 96 through 107, 114 through 129, and 133 through 140 as proposed by the Senate Committee on Finance and adopted by the Senate on June 4, 2015, be adopted.
2. That Senate Committee Amendments Nos. 5, 7, 70, 72, 73, 94, 95, 108 through 113, 130 through 132, and 141 as proposed by the Senate Committee on Finance and adopted by the Senate on June 4, 2015, be rejected.
3. That Senate Floor Amendment No. 1 in the amendment set coded 3387 proposed by Senator Adley and adopted by the Senate on June 6, 2015, be rejected.
4. That the set of Senate Floor Amendments proposed by Senator Martiny and adopted by the Senate on June 6, 2015, be adopted.
5. That Senate Floor Amendments Nos. 1, 6, 7, and 11 proposed by Senator Morrell and adopted by the Senate on June 6, 2015, be adopted.
6. That Senate Floor Amendments Nos. 2 through 5, 8 through 10, 12, and 13 proposed by Senator Morrell and adopted by the Senate on June 6, 2015, be rejected.
7. That Senate Floor Amendments Nos. 1 and 3 through 7 in the amendment set coded 3408 proposed by Senator Adley and adopted by the Senate on June 6, 2015, be adopted.
8. That Senate Floor Amendment No. 2 in the amendment set coded 3408 proposed by Senator Adley and adopted by the Senate on June 6, 2015, be rejected.
9. That Senate Floor Amendment No. 1 proposed by Senator Walsworth and adopted by the Senate on June 6, 2015, be adopted.
10. That Senate Floor Amendments Nos. 1, 3, 5 through 12, and 16 through 18 proposed by Senator Donahue and adopted by the Senate on June 6, 2015, be adopted.
11. That Senate Floor Amendments Nos. 2, 4, and 13 through 15 proposed by Senator Donahue and adopted by the Senate on June 6, 2015, be rejected.
12. That the Reengrossed bill be amended as follows:

AMENDMENT NO. 1

In Senate Committee Amendment No. 30 proposed by the Senate Committee on Finance and adopted by the Senate on June 4, 2015, on page 3, delete line 2 in its entirety and insert "On page 6, line 16, change "One hundred sixty" to "One hundred forty-four"

AMENDMENT NO. 2

In Senate Committee Amendment No. 31 proposed by the Senate Committee on Finance and adopted by the Senate on June 4, 2015, on page 3, delete line 4 in its entirety and insert "On page 6, line 18, change "One hundred eighty" to "One hundred sixty-two"

AMENDMENT NO. 3

In Senate Committee Amendment No. 42 proposed by the Senate Committee on Finance and adopted by the Senate on June 4, 2015, on page 3, at the end of line 28, insert "of one"

AMENDMENT NO. 4

In Senate Committee Amendment No. 63 proposed by the Senate Committee on Finance and adopted by the Senate on June 4, 2015, on page 5, at the end of line 8, insert "of one"

AMENDMENT NO. 5

In Senate Committee Amendment No. 68 proposed by the Senate Committee on Finance and adopted by the Senate on June 4, 2015, on page 5, at the end of line 18, insert "of one"

AMENDMENT NO. 6

In Senate Committee Amendment No. 75 proposed by the Senate Committee on Finance and adopted by the Senate on June 4, 2015, on page 6, at the end of line 2, insert "of one"

AMENDMENT NO. 7

In Senate Committee Amendment No. 78 proposed by the Senate Committee on Finance and adopted by the Senate on June 4, 2015, on page 6, at the end of line 8, insert "of one"

AMENDMENT NO. 8

In Senate Committee Amendment No. 80 proposed by the Senate Committee on Finance and adopted by the Senate on June 4, 2015, on page 6, delete line 12 in its entirety and insert "On page 19, line 3, change "Six" to "Five and seventy-six one-hundredths of one"

AMENDMENT NO. 9

In Senate Committee Amendment No. 81 proposed by the Senate Committee on Finance and adopted by the Senate on June 4, 2015, on page 6, delete line 14 in its entirety and insert "On page 19, line 6, change "Sixteen" to "Fourteen and four-tenths of one"

AMENDMENT NO. 10

In Senate Committee Amendment No. 82 proposed by the Senate Committee on Finance and adopted by the Senate on June 4, 2015, on page 6, delete line 16 in its entirety and insert "On page 19, line 9, change "Thirty-two" to "Twenty-eight and eight-tenths of one"

AMENDMENT NO. 11

In Senate Committee Amendment No. 83 proposed by the Senate Committee on Finance and adopted by the Senate on June 4, 2015, on page 6, at the end of line 18, insert "of one"

AMENDMENT NO. 12

In Senate Committee Amendment No. 93 proposed by the Senate Committee on Finance and adopted by the Senate on June 4, 2015, on page 7, at the end of line 8, insert "of one"

AMENDMENT NO. 13

In Senate Committee Amendment No. 125 proposed by the Senate Committee on Finance and adopted by the Senate on June 4, 2015, on page 9, at the end of line 12, insert "of one"

AMENDMENT NO. 14

In Senate Committee Amendment No. 126 proposed by the Senate Committee on Finance and adopted by the Senate on June 4, 2015, on page 9, at the end of line 14, insert "of one"

AMENDMENT NO. 15

In Senate Committee Amendment No. 128 proposed by the Senate Committee on Finance and adopted by the Senate on June 4, 2015, on page 9, at the end of line 18, insert "of one"

AMENDMENT NO. 16

In Senate Committee Amendment No. 129 proposed by the Senate Committee on Finance and adopted by the Senate on June 4, 2015, on page 9, at the end of line 20, insert "of one"

AMENDMENT NO. 17

In Senate Committee Amendment No. 134 proposed by the Senate Committee on Finance and adopted by the Senate on June 4, 2015, on page 11, at the end of line 37, insert "of one"

AMENDMENT NO. 18

In Senate Committee Amendment No. 135 proposed by the Senate Committee on Finance and adopted by the Senate on June 4, 2015, on page 11, at the end of line 39, insert "of one"

AMENDMENT NO. 19

In Senate Committee Amendment No. 136 proposed by the Senate Committee on Finance and adopted by the Senate on June 4, 2015, on page 11, at the end of line 41, insert "of one"

AMENDMENT NO. 20

In Senate Committee Amendment No. 138 proposed by the Senate Committee on Finance and adopted by the Senate on June 4, 2015, on page 11, at the end of line 45, insert "of one"

AMENDMENT NO. 21

In Senate Floor Amendment No. 7 proposed by Senator Morrell and adopted by the Senate on June 6, 2015, on page 1, line 14, after "and (D)," delete the remainder of the line and delete line 15 in its entirety

AMENDMENT NO. 22

In Senate Floor Amendment No. 4 in the amendment set coded 3408 proposed by Senator Adley and adopted by the Senate on June 6, 2015, on page 1, delete line 37 in its entirety and insert "On page 1, line 14, after "R.S. 47:297.4(A)(1)(a)(iii)" delete the comma "," and delete "6006(D)(6),"

AMENDMENT NO. 23

In Senate Floor Amendment No. 6 proposed by Senator Donahue and adopted by the Senate on June 6, 2015, on page 1, line 19, delete "seven" and insert "seven"

AMENDMENT NO. 24

In Senate Floor Amendment No. 9 proposed by Senator Donahue and adopted by the Senate on June 6, 2015, on page 1, line 30, delete "hundred" and insert "hundred"

AMENDMENT NO. 25

In Senate Floor Amendment No. 11 proposed by Senator Donahue and adopted by the Senate on June 6, 2015, on page 2, line 3, delete "twenty-one" and insert "twenty-one and"

AMENDMENT NO. 26

In Senate Floor Amendment No. 17 proposed by Senator Donahue and adopted by the Senate on June 6, 2015, on page 2, line 29, delete "seven and two-tenths" and insert "seven and two tenths"

AMENDMENT NO. 27

In Senate Floor Amendment No. 18 proposed by Senator Donahue and adopted by the Senate on June 6, 2015, on page 2, line 33, delete "seven and two-tenths" and insert "seven and two tenths"

AMENDMENT NO. 28

On page 1, line 3, after "37(C)," and before "265," insert "227,"

AMENDMENT NO. 29

On page 1, at the beginning of line 14, after "to enact" delete the remainder of the line and at the beginning of line 15, delete "(d, and 6022(D)(3)" and insert "R.S. 47:6022(D)(3)"

AMENDMENT NO. 30

On page 3, line 11, after "reenacted and" delete the remainder of the line and delete line 12 in its entirety and insert "R.S. 47:6022(D)(3) is hereby enacted to read as"

AMENDMENT NO. 31

On page 5, between lines 3 and 4, insert the following:

"§227. Offset against tax

Every insurance company shall be entitled to an offset against any tax incurred under this Chapter, in the amount of any taxes, based on premiums, paid by it during the preceding twelve months, by virtue of any law of this state. Beginning on and after July 1, 2015, and before July 1, 2018, the offset shall be equal to seventy-two percent of the amount of any taxes, based on premiums.

* * *

AMENDMENT NO. 32

On page 22, delete lines 1 through 17 in their entirety and insert the following:

"C. Investor tax credit; state-certified productions and infrastructure projects. (1) Until January 1, 2020, there is hereby authorized a credit against the state income tax for investments made in state-certified productions and state-certified sound recording infrastructure projects. The tax credit shall be earned by investors at the time expenditures are certified by the Louisiana Department of Economic Development according to the total base investment

certified for the sound recording production company per calendar year; however, no credit shall be allowed under this Section for any expenditures for which a credit was granted under R.S. 47:6007.

(a) For state-certified productions certified on and after July 1, 2007 and prior to July 1, 2015, and state-certified infrastructure projects which have applied on or before August 1, 2009, each investor shall be allowed a tax credit of twenty-five percent of the base investment made by that investor in excess of fifteen thousand dollars or, if a resident of this state, in excess of five thousand dollars.

(b) For state-certified productions certified on and after July 1, 2015, and state-certified infrastructure projects which have been applied on or after July 1, 2015, each investor shall be allowed a tax credit of eighteen percent of the base investment made by that investor in excess of fifteen thousand dollars or, if a resident of this state, in excess of five thousand dollars.

* * *

(3)(a) Except as otherwise provided in this Paragraph, the aggregate amount of credits certified for all investors pursuant to this Section during any calendar year shall not exceed ~~three million dollars~~ two million one hundred sixty thousand dollars."

AMENDMENT NO. 33

Delete pages 25 and 26 in their entirety and on page 27, delete lines 1 and 2 and insert the following:

"§6034. Musical and theatrical production income tax credit

* * *

C. Income tax credits for state-certified productions and state-certified musical or theatrical facility infrastructure projects:

(1) There is hereby authorized the following types of credits against the state income tax:

(a)

* * *

(ii)

* * *

(bb)(I) For state-certified higher education musical or theatrical infrastructure projects that receive initial certification ~~on or before January 1, 2018~~ July 1, 2015, a base investment credit may be earned for expenditures made in the state on or before January 1, 2022, for the construction, repair, or renovation of a new state-certified higher education musical or theatrical facility infrastructure project, or for investments made by a company or a financier in such infrastructure project that are, in turn, expended for such construction, repair, or renovation. No more than ten million dollars in tax credits per project or sixty million dollars total in tax credits shall be granted for state-certified higher education musical or theatrical infrastructure projects for projects that receive initial certification before July 1, 2015. Twenty-five percent of the total base investment provided for in the initial certification letter of a state-certified higher education musical or theatrical infrastructure project must be expended on or before January 1, 2020, in

order for the project to earn credits for the remaining estimated base investment provided for in the initial certification letter, as expenditures are made in the state on or before January 1, 2022. No credits shall be certified until the state-certified higher education musical or theatrical infrastructure project is complete. The initial certification letter shall be effective for qualified expenditures made no more than six months prior to the date of application. State-certified higher education musical or theatrical infrastructure projects shall not be subject to the provisions of Subitem (cc) of this Item nor shall such projects be subject to the provisions of Subsection H of this Section.

(II) For state-certified higher education musical or theatrical infrastructure projects that receive initial certification on or after July 1, 2015, and on or before January 1, 2018, a base investment credit may be earned for expenditures made in the state on or before January 1, 2022, for the construction, repair, or renovation of a new state-certified higher education musical or theatrical facility infrastructure project, or for investments made by a company or a financier in such infrastructure project that are, in turn, expended for such construction, repair, or renovation. No more than seven million two hundred thousand dollars in tax credits per project or forty-three million two hundred thousand dollars total in tax credits shall be granted for state-certified higher education musical or theatrical infrastructure projects that receive initial certification on or after July 1, 2015, and on or before January 1, 2018. Twenty-five percent of the total base investment provided for in the initial certification letter of a state-certified higher education musical or theatrical infrastructure project must be expended on or before January 1, 2020, in order for the project to earn credits for the remaining estimated base investment provided for in the initial certification letter, as expenditures are made in the state on or before January 1, 2022. No credits shall be certified until the state-certified higher education musical or theatrical infrastructure project is complete. The initial certification letter shall be effective for qualified expenditures made no more than six months prior to the date of application. State-certified higher education musical or theatrical infrastructure projects shall not be subject to the provisions of Subitem (cc) of this Item nor shall such projects be subject to the provisions of Subsection H of this Section.

* * *

(iii)(aa) Except For state-certified projects that receive initial certification prior to July 1, 2015, and except as limited for state-certified infrastructure projects as provided for in this Subparagraph, the base investment credit shall be for the following amounts:

~~(aa)~~ (I) If the total base investment is greater than one hundred thousand dollars and less than or equal to three hundred thousand dollars, a company shall be allowed a tax credit of ten percent of the base investment made by that company.

~~(bb)~~ (II) If the total base investment is greater than three hundred thousand dollars and less than or equal to one million dollars, a company shall be allowed a tax credit of twenty percent of the base investment made by that company.

~~(cc)~~ (III) If the total base investment is greater than one million dollars, a company shall be allowed a tax credit of twenty-five percent of the base investment made by that company.

(bb) For state-certified projects that receive initial certification on or after July 1, 2015, and except as limited for state-certified infrastructure projects as provided for in this Subparagraph, the base investment credit shall be for the following amounts:

(I) If the total base investment is greater than one hundred thousand dollars and less than or equal to three hundred thousand dollars, a company shall be allowed a tax credit of seven and two-tenths of one percent of the base investment made by that company.

(II) If the total base investment is greater than three hundred thousand dollars and less than or equal to one million dollars, a company shall be allowed a tax credit of fourteen and four-tenths of one percent of the base investment made by that company.

(III) If the total base investment is greater than one million dollars, a company shall be allowed a tax credit of eighteen percent of the base investment made by that company.

(c)(i) ~~At~~ For state-certified musical or theatrical productions that receive an initial certification before July 1, 2015, an additional tax credit of one tenth of one percent of the amount expended to employ students enrolled in Louisiana colleges, universities, and vocational-technical schools in a state certified musical or theatrical production in arts-related positions, such as an actor, writer, producer, stagehand, or director, or as a technician working on aspects of the production such as lighting, sound, and actual stage work, or working indirectly on the production in accounting, law, management, and marketing.

(ii) For state-certified musical or theatrical productions that receive an initial certification on or after July 1, 2015, and on or before January 1, 2018, an additional tax credit of seventy-two thousandths of one percent of the amount expended to employ students enrolled in Louisiana colleges, universities, and vocational-technical schools in a state certified musical or theatrical production in arts-related positions, such as an actor, writer, producer, stagehand, or director, or as a technician working on aspects of the production such as lighting, sound, and actual stage work, or working indirectly on the production in accounting, law, management, and marketing.

(d)(i) To the extent that base investment is expended on payroll for Louisiana residents employed in connection with a state-certified musical or theatrical production that receives initial certification prior to July 1, 2015, except for the students provided for in Subparagraph (c) of this Paragraph, or the construction of a state-certified musical or theatrical facility infrastructure project, a company shall be allowed an additional tax credit of ten percent of such payroll; however, if the amount paid to any one person exceeds one million dollars, the additional credit shall not include any amount paid to that person that exceeds one million dollars.

(ii) To the extent that base investment is expended on payroll for Louisiana residents employed in connection with a state-certified musical or theatrical production that receives initial certification on or after July 1, 2015, and on or before January 1, 2018, except for the students provided for in Subparagraph (c) of this Paragraph, or the construction of a state-certified musical or theatrical facility infrastructure project, a company shall be allowed an additional tax credit of seven and two-tenths of one percent of such payroll; however, if the amount paid to any one person exceeds one million dollars, the additional credit shall not include any amount paid to that person that exceeds one million dollars."

AMENDMENT NO. 34

On page 31, delete line 25 in its entirety and insert the following:

"A. For applications for the technology commercialization credit approved prior to July 1, 2015, the following shall apply:

(1) Except as provided in Subsection B of this Section Paragraph (2) of this Subsection, the taxpayer may earn"

AMENDMENT NO. 35

On page 31, line 28, change "thirty-two" for "forty"

AMENDMENT NO. 36

On page 32, at the beginning of line 3, delete "B." and insert "(2)"

AMENDMENT NO. 37

On page 32, line 8, change "four" to "six"

AMENDMENT NO. 38

On page 32, between lines 10 and 11, insert the following:

"B. For applications for the technology commercialization credit approved on or after July 1, 2015, the following shall apply:

(1) Except as provided in Paragraph (2) of this Subsection, the taxpayer may earn and apply for and, if qualified, be granted a refundable tax credit which may be applied to any income or corporation franchise tax liability owed to the state by the taxpayer seeking to claim the credit, equal in value to twenty-eight and eight-tenths of one percent of the amount of money invested by the taxpayer applicant in commercialization costs for one business location meeting the requirements of R.S. 51:2353(C)(1) and (2) as certified by the Department of Economic Development.

(2) A tax credit granted pursuant to this Part shall expire and have no value or effect on tax liability beginning with the twenty-first tax year after the tax year in which it was originally earned, applied for, and granted. An applicant that meets the requirements of R.S. 51:2353 and is approved by the Department of Economic Development may receive a refundable tax credit based on new jobs for the period of time approved which shall be equal to four and thirty-two hundredths of one percent multiplied by the gross payroll of new direct jobs meeting the requirements of R.S. 51:2353(C)(3) and (4) as certified by the Department of Economic Development.

AMENDMENT NO. 39

On page 32, delete line 15 in its entirety and insert the following:

"(2)(a) For credits approved prior to July 1, 2015, the following shall apply:

(i) The credits approved by the department shall be granted at the rate of"

AMENDMENT NO. 40

On page 32, at the beginning of line 16, change "four" to "five"

AMENDMENT NO. 41

On page 32, at the beginning of line 19, delete "(b)" and insert "(ii)"

AMENDMENT NO. 42

On page 32, line 20, change "eight" to "ten"

AMENDMENT NO. 43

On page 32, between lines 28 and 29, insert the following:

(b) For credits approved on and after July 1, 2015, the following shall apply:

(i) The credits approved by the department shall be granted at the rate of three and six-tenths of one percent of the amount of qualified expenditures incurred by the employer for modernization with the credit divided in equal portions for five years, subject to the limitations provided for in other Paragraphs of this Subsection.

(ii) The total amount of modernization tax credits granted by the Department of Economic Development in any calendar year shall not exceed seven million two hundred thousand dollars irrespective of the year in which claimed. The department shall by rule establish the method of allocating available tax credits to applicants, including but not limited to a first come, first served system, reservation of tax credits for a specified time period, or other method which the department, in its discretion, may find beneficial to the program. In the event that the total amount of credits granted in any calendar year is less than seven million two hundred thousand dollars, any residual amount of unused credits shall carry forward for use in subsequent years and may be granted in addition to the seven million two hundred thousand dollar limit for each year."

AMENDMENT NO. 44

On page 33, delete lines 6 and 7 in their entirety and insert the following:

"Section 4. R.S. 25:1226.4(C)(1) and (2) are hereby enacted to read as follows:

§1226.4. Tax exemptions and credits

* * *

C.(1) Whenever the governor finds that a concern satisfies the requirements of this Part and the criteria established by rule, he shall advise the commerce board that it may enter into a contract with such cottage industry for a tax credit of up to one thousand five hundred dollars that may be used against the tax liability for state income and corporation franchise taxes related to the operations of the cottage industry within the development zone.

(2) In addition to those tax credits provided for in Paragraph (1) of this Subsection, the board may also enter into contracts with eligible cottage industries for a one thousand five hundred dollar tax credit per new employee hired during the taxable year for which the credit is claimed. In order to qualify for this credit, the applicant must have net new hires of one full-time employee or two part-time employees. A full-time employee is a person employed for at least thirty-two hours per week. A part-time employee is a person employed for at least twenty hours per week. In order to qualify as a new hire for purposes of this credit, the employee must have been a resident of the heritage area development zone for at least thirty days prior to employment. The credit may be applied to any state income tax liability or any state corporate franchise tax liability, but not liabilities for penalty or interest due or outstanding at the time the credit is generated. This credit shall be applicable only to a position that did not previously exist in the business and that is filled by a resident of the development zone who is

performing duties in connection with the operation of the business as a regular, full-time employee.

* * *

Section 5. R.S. 47:34(B)(1), 35(C), 37(C), 227, 265, 287.664, 287.748(B)(1), 287.749(B), 287.752(B)(1), 287.753(C), 287.755(C), 287.758(B), 287.759(A) and (C)(3), 297(A), (B), (C)(1), (D)(2), (F), (G)(2), (H)(1), (I)(2), (J)(4), (K)(2)(a), (L)(3), (M)(1), (N)(1) and (2), and (P)(2), 297.6(A)(1) and (5), 297.9(A), 6004(A)(2), the heading of 6005, 6005(C)(1) and (D)(1), 6008(A), 6009(D)(1), 6012(B), 6013(A), 6017(A), 6018(C), 6020(D)(1) and (2)(a), 6022(D)(2)(introductory)(paragraph), 6023(C)(1) and (3)(introductory paragraph), 6025(A)(1), 6026(D)(2) and (3), 6032(C) and (F), 6034(C)(1)(a)(ii)(bb), (C)(1)(a)(iii), (C)(1)(c), and (d), 6035(C)(1) and (D), 6036(C)(1)(b) and (I)(2)(a)(i), and 6037(B)(1) and (2)(b), (c), and (d) are hereby enacted to read as follows:

§34. Corporation tax credit

* * *

B.(1) The credit shall be a portion of the state corporate income tax, but not in excess of fifty percent of such tax. Such portion shall be an amount determined by multiplying the number of new employees, as defined in Subsection C of this Section, by the following amounts:

(a) one hundred dollars per eligible new employee per taxable year.

(b) two hundred dollars per eligible new economically disadvantaged employee per taxable year.

(c) two hundred twenty-five dollars per new employee who is a resident of a neighborhood with an unemployment rate of ten percent or more per taxable year.

* * *

§35. Neighborhood assistance tax credit

* * *

C. The division of administration shall grant a tax credit against the state corporate income tax liability. A tax credit of up to seventy percent of the actual amount contributed may be allowed for investment in programs approved by the commissioner of administration. Such credit for any corporation shall not exceed two hundred fifty thousand dollars annually. No tax credit shall be granted to any bank, bank and trust company, insurance company, trust company, national bank, savings association, or building and loan association for activities that are a part of its normal course of business. Any tax credit not used in the period the investment was made may be carried over for the next five succeeding taxable periods until the full credit has been allowed.

* * *

§37. Tax credit for contributions to educational institutions

* * *

C. There shall be allowed a credit against the tax liability due under the income tax for donations, contributions, or sales below cost of tangible movable property made to educational institutions in the state of Louisiana. The credit allowed by this Section shall be computed at the rate of forty

percent of such property's value, as defined herein, or, in the case of a sale below cost, forty percent of the difference between the price received for the tangible movable property by the taxpayer and the value of the property as defined herein. The credit shall be limited to the total of the tax liability for the taxable year for which it is being claimed and shall be in lieu of the deductions from gross income provided for in R.S. 47:57. The credit shall not be allowed if the taxpayer arbitrarily, capriciously, or unreasonably discriminates against any person because of race, religion, ideas, beliefs, or affiliations.

* * *

§227. Offset against tax

Every insurance company shall be entitled to an offset against any tax incurred under this Chapter, in the amount of any taxes, based on premiums, paid by it during the preceding twelve months, by virtue of any law of this state.

* * *

§265. Credits arising from refunds by utilities

Whenever a utility refunds to its customers, pursuant to an order of a court or regulatory agency as a result of the denial of a proposed rate increase, an amount or amounts which, if taken as a deduction from gross income in the year paid or accrued, would result in a net loss, then in lieu of such deduction the utility may elect to take a credit against its Louisiana income tax in the amount of the income tax increase which was the sole result of the inclusion of the amount or amounts refunded in gross income in the year or years received irrespective of whether or not the period of limitation provided in R.S. 47:1623 has expired for the year in which the amount refunded was included in gross income. If this credit exceeds the income tax that would be due the State of Louisiana in the year of the refund, computed without the credit, then the excess of this credit may be carried over the following two taxable years.

* * *

§287.664. Credits arising from refunds by utilities

Whenever a utility refunds to its customers, pursuant to an order of a court or regulatory agency as a result of the denial of a proposed rate increase, an amount or amounts which, if taken as a deduction from gross income in the year paid or accrued, would result in a net loss, then in lieu of such deduction the utility may elect to take a credit against its Louisiana income tax in the amount of the income tax increase which was the sole result of the inclusion of the amount or amounts refunded in gross income in the year or years received irrespective of whether or not the period of limitation provided in R.S. 47:1623 has expired for the year in which the amount refunded was included in gross income. If this credit exceeds the income tax that would be due the state of Louisiana in the year of the refund, computed without the credit, then the excess of this credit may be carried over the following two taxable years.

* * *

§287.748. Corporation tax credit; re-entrant jobs credit

* * *

B.(1) The credit shall be one hundred fifty dollars per eligible re-entrant employed, as defined in Subsection C hereof, but shall not exceed fifty percent of corporate income tax.

* * *

§287.749. Jobs credit

* * *

B.(1) The credit shall be a portion of the state corporate income tax, but shall not exceed fifty percent of such tax. Such portion shall be an amount determined as follows:

(a) One hundred dollars per eligible new employee per taxable year.

(b) Two hundred dollars per eligible new economically disadvantaged employee per taxable year.

(c) Two hundred twenty-five dollars per new employee who is a resident of a neighborhood with an unemployment rate of ten percent or more per taxable year.

* * *

§287.752. Tax credit for employment of first-time nonviolent offenders

* * *

B.(1) The credit shall be two hundred dollars per taxable year per eligible employee.

* * *

§287.753. Neighborhood assistance tax credit

* * *

C. The division of administration or its successor shall grant a tax credit against the state corporation income tax as provided in this Section. A tax credit of up to seventy percent of the actual amount contributed may be allowed for investment in programs approved by the commissioner of administration or his successor. Such credit for any corporation shall not exceed two hundred fifty thousand dollars annually. No tax credit shall be granted to any bank, bank and trust company, insurance company, trust company, national bank, savings association, or building and loan association for activities that are a part of its normal course of business. Any tax credit not used in the period the investment was made may be carried over for the next five succeeding taxable periods until the full credit has been allowed.

* * *

§287.755. Tax credit for contributions to educational institutions

* * *

C. There shall be allowed a credit against the tax liability due under the income tax for donations, contributions, or sales below cost of tangible movable property made to educational institutions in the state of Louisiana. The credit allowed by this Section shall be computed at the rate of forty percent of such property's value, as defined herein, or, in the case of a sale

below cost, forty percent of the difference between the price received for the tangible movable property by the taxpayer and the value of the property as defined herein. The credit shall be limited to the total of the tax liability for the taxable year for which it is being claimed and shall be in lieu of the deductions from gross income provided for in R.S. 47:57. The credit shall not be allowed if the taxpayer arbitrarily, capriciously, or unreasonably discriminates against any person because of race, religion, ideas, beliefs, or affiliations.

* * *

§287.758. Tax credit for bone marrow donor expense

* * *

B. A credit against the taxes otherwise due under this Part for the tax year is allowed to an employer. The amount of the credit is equal to twenty-five percent of the bone marrow donor expense paid or incurred during the tax year by an employer to provide a program for employees who are potential or who actually become bone marrow donors.

* * *

§287.759. Tax credit for employee and dependent health insurance coverage

A. When any contractor or subcontractor in the letting of any contract for the construction of a public work offers health insurance coverage as provided for in this Section, they shall be eligible for a five percent income tax credit on forty percent of the amount of the contract received in a tax year if eighty-five percent of the full-time employees of each contractor are offered health insurance coverage and each such general contractor or subcontractor pays seventy-five percent of the total premium for such health insurance coverage for each full-time employee who chooses to participate and pays not less than fifty percent of the total premium for health insurance coverage for each dependent of the full-time employee who elects to participate in dependent coverage.

* * *

C.(1)

* * *

(3) The credit shall not exceed three million dollars per year.

* * *

§297. Reduction to tax due

A. The tax determined as provided in this Part shall be reduced by one hundred dollars for any taxpayer, taxpayer's spouse, or dependent who is deaf, blind, mentally incapacitated, or has lost the use of one or more limbs. Only one credit is allowed for any one person.

B. The tax determined as provided in this Part shall be reduced by the following: a credit for the elderly, a credit for contributions to candidates for public office, an investment credit, a credit for foreign tax, a work incentive credit, jobs credit, and residential energy credits. The amount of these credits shall be the lesser of twenty-five dollars or ten percent of the same credits allowed on the federal income tax return for the same taxable period.

C.(1) There shall be allowed to an individual, as a credit against the tax imposed by this Chapter for the taxable year, an amount equal to the state gasoline and motor fuels taxes and special fuels taxes paid to operate or propel a commercial fishing boat. The credit shall not be allowed for any such taxes for which a refund has been claimed pursuant to the provisions of Part VIII of Chapter 18 of this Subtitle.

* * *

D. In addition to any other credits against the tax payable on net income which the law allows to an individual taxpayer, the taxpayer shall be entitled to the tax credit against the tax payable on net income provided for as follows:

* * *

(2) Any taxpayer who so qualifies shall be entitled to a maximum tax credit of twenty-five dollars per child for educational expenses.

* * *

F. There shall be allowed to an individual, as a credit against the tax imposed by this Chapter for the taxable year, an amount equal to thirty-three and one-third percent of the amount contributed in a family responsibility program under the provisions of R.S. 46:449. The amount of this credit shall not exceed two hundred dollars per year.

G. There shall be an environmental equipment purchase tax credit to be determined as follows:

* * *

(2) The tax credit shall be twenty percent of the purchase price of the equipment if paid for in a single taxable year. If the equipment purchase is financed over two or more taxable years, the tax credit in a taxable year shall be twenty percent of that portion of the original purchase price paid in that taxable year. For partnerships and Subchapter S Corporations, the tax credit shall proportionately pass through to each partner or shareholder in the same percentage in which other shares of income, gain, loss, deduction or credit are distributed in accordance with the partnership or shareholder agreement.

* * *

H.(1) The tax determined as provided in this Part shall be reduced by the lesser of the tax due or five thousand dollars per taxable year up to a maximum of five years for each taxpayer meeting all of the following criteria.

* * *

I. There shall be a bone marrow donor expense tax credit for any individual taxpayer required to file a Louisiana tax return, acting as a business entity authorized to do business in the state, operating as either a sole proprietorship, a partner in a partnership, or as a Subchapter S Corporation, for bone marrow donor expense to be determined as follows:

* * *

(2) A credit against the taxes otherwise due under this Part for the tax year is allowed to an employer. The amount of the credit is equal to twenty-five percent of the bone marrow donor expense paid or incurred during the tax year by an employer to provide a program for employees who

are potential bone marrow donors or who actually become bone marrow donors.

* * *

J.

* * *

(4) The amount of the credit per tax year is equal to the least of the tax due, or one hundred percent of the educational expenses, or seven hundred fifty dollars.

K.

* * *

(2)(a) The credit shall be two hundred dollars per taxable year per eligible employee.

* * *

L.

* * *

(3) The total amount of the credit shall be the lesser of the full purchase price including applicable taxes paid by the taxpayer or one hundred dollars. In order to claim the tax credit provided in this Subsection, the qualified taxpayer must submit a certification from his employer that:

* * *

M.(1) There shall be allowed a credit against the individual income tax for amounts paid as premiums for eligible long-term care insurance. The amount of the credit shall be equal to ten percent of the total amount of premiums paid annually by each individual claiming the credit.

* * *

N.(1) There shall be allowed a credit against individual income tax due in a taxable year equal to the following amounts incurred by a taxpayer during his tax year if related to the taxpayer's travel or absence from work because of a living organ donation by the taxpayer or the taxpayer's spouse:

* * *

(2) The credit provided for by this Section shall not exceed ten thousand dollars per organ donation. It shall be allowed against the income tax for the taxable period in which the credit is earned. If the tax credit exceeds the amount of such taxes due, then any unused credit may be carried forward as a credit against subsequent tax liability for a period not to exceed ten years.

* * *

P.

* * *

(2) The amount of the credit shall be one thousand dollars, or the total tax liability of the taxpayer, whichever is less. The credit shall be taken in the taxable year in which the construction of the dwelling is completed. Only one tax credit may be granted per dwelling.

* * *

§297.6. Reduction to tax due; rehabilitation of residential structures

A.(1) There shall be a credit against individual income tax liability due under this Title for the amount of eligible costs and expenses incurred during the rehabilitation of an owner-occupied residential or owner-occupied mixed use structure located in a National Register Historic District, a local historic district, a Main Street District, a cultural products district, or a downtown development district, or such owner-occupied residential structure that has been listed or is eligible for listing on the National Register, or such structure that has been certified by the State Historic Preservation Office as contributing to the historical significance of the district, or a vacant and blighted owner-occupied residential structure located anywhere in the state that is at least fifty years old. The tax credit authorized pursuant to this Section shall be limited to one credit per structure rehabilitated. The total credit shall not exceed twenty-five thousand dollars per structure. In order to qualify for that credit, the rehabilitation costs for the structure must exceed ten thousand dollars.

(a) If the credit is for the rehabilitation of an owner-occupied residential structure, the credit shall be twenty-five percent of the eligible costs and expenses of a rehabilitation for which an application for credit has been filed for the first time after July 1, 2011. If the residential structure is owned and occupied by two or more individuals, the applicable percentage shall be based on the sum of all owner-occupants who contribute to the rehabilitation, and the credit will be divided between the owner-occupants in proportion to their contribution to the eligible costs and expenses.

(b) If the credit is for the rehabilitation of a vacant and blighted owner-occupied residential structure that is at least fifty years old, the credit shall be fifty percent of the eligible costs and expenses of a rehabilitation for which an application for credit has been filed for the first time after July 1, 2011.

* * *

(5) The maximum amount of tax credits allowed by the State Historic Preservation Office to be granted in any calendar year shall not exceed ten million dollars. The granting of credits under this Section shall be on a first-come, first-served basis. If the total amount of credits applied for in any particular year exceeds the aggregate amount of tax credits allowed for that year, the excess will be treated as having been applied for on the first day of the subsequent year.

* * *

§297.9. Reduction to tax due; amounts paid by certain military servicemembers and dependents for certain hunting and fishing licenses

A. There shall be a credit against individual income tax liability due under this Part for amounts paid by an active or reserve military servicemember, or the spouse or dependent of such servicemember, for obtaining a Louisiana noncommercial hunting or fishing license for themselves or their spouses and dependents.

* * *

§6004. Employer credit

A.

* * *

(2) The credit shall be seven hundred fifty dollars and shall be allowed against the income tax 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. Only one tax credit shall be allowed for:

* * *

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

* * *

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

* * *

D.(1) The amount of the credit claimed in the taxable period for which certification of equipment is received, and the amount of credit claimed therefor in each taxable period thereafter, shall not exceed twenty percent of the amount of the total credit allowable. In no case shall the credit claimed exceed fifty percent of the tax liability which would be otherwise due for that taxable period. Any unused credit for a taxable year in which a credit is allowed may be carried forward to subsequent years until the credit is exhausted. Total credits certified by the secretary of the Department of Environmental Quality in any calendar year shall not exceed five million dollars.

* * *

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

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

* * *

§6009. Louisiana Basic Skills Training Tax Credit

* * *

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

* * *

§6012. Employer tax credits for donations of materials, equipment, advisors, or instructors

* * *

B. There shall be a credit against any Louisiana income or corporation franchise tax for the donation of the latest technology available in materials, equipment, or instructors made to public training providers, secondary and postsecondary vocational-technical schools, apprenticeship program registered with the Louisiana Workforce Commission, or community colleges within the state. The credit shall be an amount equal to one-half the value of the donated materials, equipment, or services rendered by the instructor. Any such credit shall be taken as a credit against the applicable tax or taxes in the taxable period in which the donation was made. This tax credit, when combined with all other applicable tax credits, shall not exceed twenty percent of the employer's tax liability for any taxable year.

* * *

§6013. Tax credits for donations made to public schools

A. There shall be allowed a credit against the corporate income tax and the corporation franchise tax for qualified donations made to a public school. The credit shall be an amount equal to forty percent of the appraised value of the qualified donation. Any such credit shall be taken as a credit against the corporate income or corporation franchise tax for the taxable year in which the donation is made. The total of all such credits taken in a taxable year shall not exceed the total tax liability for that taxable year.

* * *

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

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

* * *

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

* * *

C. 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 during the purchaser's tax year as reflected on the books and records of the purchaser during his tax year.

* * *

§6020. Angel Investor Tax Credit Program

* * *

D. Tax credits. (1) The total amount of tax credits granted by the department in any calendar year shall not exceed five million dollars. The department shall by rule establish the method of allocating available tax credits to investors including but not limited to a first-come, first-served system, reservation of tax credits for a specific time period, or other method which the department, in its discretion, may find beneficial to the program. If the department does not grant the entire five million dollars in tax credits in any calendar year, the amount of residual unused tax credits shall carry forward to subsequent calendar years and may be granted in any year without regard to the five million dollar per year limitation. After the approval of an investor pool, the department shall issue a letter identifying the amount of tax credits that are available to that pool; however, no tax credit shall be granted to an investor until the investment has been made in the Louisiana Entrepreneurial Business.

(2)(a) An investor may apply for and, if qualified, be granted a credit on any income or corporation franchise tax liability owed to the state by the taxpayer seeking to claim the credit in the amount approved by the secretary of the department. The amount of the tax credit shall be based upon the amount of money invested by the investor in the Louisiana Entrepreneurial Business, which investment shall not exceed one million dollars per year per business and two million dollars total per business. Except as otherwise provided in Subparagraph (b) of this Paragraph, the credit shall be allowed against the income tax for the taxable period in which the credit is earned and the franchise tax for the taxable period following the period in which the credit is earned. The credits approved by the department shall be granted at the rate of thirty-five percent of the amount of the investment with the credit divided in equal portions for five years.

* * *

§6022. Digital interactive media and software tax credit

* * *

D. Tax credit; specific projects.

* * *

(2) For applications for state-certified productions submitted to the office on or after July 1, 2009, and subsequently approved by the office and secretary, there are hereby authorized tax credits which shall be earned by a company at the time funds are expended in Louisiana on a state-certified production as follows:

* * *

§6023. Sound recording investor tax credit

* * *

C. Investor tax credit; state-certified productions and infrastructure projects. (1) Until January 1, 2020, there is hereby authorized a credit against the state income tax for investments made in state-certified productions and state-certified sound recording infrastructure projects. The tax credit shall be earned by investors at the time expenditures are certified by the Louisiana Department of Economic Development according to the total base investment certified for the sound recording production company per calendar year; however, no credit shall be allowed under this Section for any expenditures for which a credit was granted under R.S. 47:6007. For state-certified productions certified on and after July 1, 2007, and state-certified infrastructure projects which have applied on or before August 1, 2009, each investor shall be allowed a tax credit of twenty-five percent of the base investment made by that investor in excess of fifteen thousand dollars or, if a resident of this state, in excess of five thousand dollars.

* * *

(3)(a) Except as otherwise provided in this Paragraph, the aggregate amount of credits certified for all investors pursuant to this Section during any calendar year shall not exceed three million dollars.

* * *

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

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

* * *

§6026. Cane River heritage tax credit

* * *

D.(1)

* * *

(2) The tax credit authorized by the provisions of this Section shall be for an amount of up to one thousand five hundred dollars, which may be used against the tax liability for state income and corporation franchise taxes related to the operations of the cottage industry within the development zone.

(3) In addition, the department may also enter into contracts with eligible cottage industries for a one thousand five hundred dollar tax credit per new employee hired during the taxable year for which the credit is claimed. In order to qualify for this credit, the applicant must have net new hires of one full-time employee or two part-time employees. A full-time employee is a person employed for at least thirty-two hours per week. A part-time employee is a person employed for at least twenty hours per week. In order to qualify as a new hire for purposes of this credit, the employee must have been a resident of the heritage area development zone for at least thirty days prior to employment. The credit may be applied to any state income tax liability or any state corporate franchise tax liability, but shall not be applied to any liabilities for penalty or interest due or outstanding at the time the

credit is generated. This credit shall be applicable only to a position that did not previously exist in the business and that is filled by a resident of the development zone who is performing duties in connection with the operation of the business as a regular, full-time employee.

* * *

§6032. Tax credit for certain milk producers

* * *

C. Each qualifying taxpayer is eligible for tax credits based on the production and sale of milk below the announced production price over a calendar year in accordance with the following schedule:

<u>Amount of Milk Produced:</u>	<u>Amount of Tax Credit:</u>
<u>Up to 1,000,000 pounds</u>	<u>\$ 5,000</u>
<u>1,000,001 to 1,500,000 pounds</u>	<u>\$10,000</u>
<u>1,500,001 to 2,000,000 pounds</u>	<u>\$15,000</u>
<u>2,000,001 to 2,500,000 pounds</u>	<u>\$20,000</u>
<u>2,500,001 to 3,000,000 pounds</u>	<u>\$25,000</u>
<u>3,000,001 pounds and above</u>	<u>\$30,000</u>

* * *

F. The credit allowed for each producer pursuant to this Section shall not exceed thirty thousand dollars per calendar year. The total aggregate amount of tax credits for all producers provided for under this Section shall be capped at two million five hundred thousand dollars per calendar year.

* * *

§6034. Musical and theatrical production income tax credit

* * *

C. Income tax credits for state-certified productions and state-certified musical or theatrical facility infrastructure projects:

(1) There is hereby authorized the following types of credits against the state income tax:

- (a) * * *
- (ii) * * *

(bb) For state-certified higher education musical or theatrical infrastructure projects that receive initial certification on or before January 1, 2018, a base investment credit may be earned for expenditures made in the state on or before January 1, 2022, for the construction, repair, or renovation of a new state-certified higher education musical or theatrical facility infrastructure project, or for investments made by a company or a financier in such infrastructure project that are, in turn, expended for such construction, repair, or renovation. No more than ten million dollars in tax credits per project or sixty million dollars total in tax credits shall be granted for state-certified higher education musical or theatrical infrastructure projects. Twenty-five percent of the total base investment provided for in the initial certification letter of a state-certified higher education musical or theatrical infrastructure project must be expended on or before January 1, 2020, in order for the project to earn credits for the remaining estimated base investment provided for in the initial certification letter, as expenditures are made in the state on or before January 1, 2022. No credits shall be certified until the state-certified higher education musical or theatrical infrastructure

project is complete. The initial certification letter shall be effective for qualified expenditures made no more than six months prior to the date of application. State-certified higher education musical or theatrical infrastructure projects shall not be subject to the provisions of Subitem (cc) of this Item nor shall such projects be subject to the provisions of Subsection H of this Section.

* * *

(iii) Except as limited for state-certified infrastructure projects as provided for in this Subparagraph, the base investment credit shall be for the following amounts:

(aa) If the total base investment is greater than one hundred thousand dollars and less than or equal to three hundred thousand dollars, a company shall be allowed a tax credit of ten percent of the base investment made by that company.

(bb) If the total base investment is greater than three hundred thousand dollars and less than or equal to one million dollars, a company shall be allowed a tax credit of twenty percent of the base investment made by that company.

(cc) If the total base investment is greater than one million dollars, a company shall be allowed a tax credit of twenty-five percent of the base investment made by that company.

* * *

(c) An additional tax credit of one tenth of one percent of the amount expended to employ students enrolled in Louisiana colleges, universities, and vocational-technical schools in a state certified musical or theatrical production in arts-related positions, such as an actor, writer, producer, stagehand, or director, or as a technician working on aspects of the production such as lighting, sound, and actual stage work, or working indirectly on the production in accounting, law, management, and marketing.

(d) To the extent that base investment is expended on payroll for Louisiana residents employed in connection with a state-certified musical or theatrical production, except for the students provided for in Subparagraph (c) of this Paragraph, or the construction of a state-certified musical or theatrical facility infrastructure project, a company shall be allowed an additional tax credit of ten percent of such payroll; however, if the amount paid to any one person exceeds one million dollars, the additional credit shall not include any amount paid to that person that exceeds one million dollars.

* * *

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

* * *

C.(1) The credit provided for in Subsection A of this Section shall be allowed against individual or corporate income tax for the taxable period in which the property is purchased and installed, if applicable, and shall be equal to fifty percent of the cost of the qualified clean-burning motor vehicle fuel property.

* * *

D. In cases where no previous credit has been claimed pursuant to Subsection C of this Section for the cost of qualified clean-burning motor vehicle fuel property in a new motor vehicle purchased by a taxpayer with qualified clean-burning motor vehicle fuel property installed by the vehicle's

manufacturer and the taxpayer is unable to, or elects not to determine the exact cost which is attributable to such property, the taxpayer may claim a credit against individual or corporate income tax for the taxable period in which the motor vehicle is purchased equal to ten percent of the cost of the motor vehicle or three thousand dollars, whichever is less, provided the motor vehicle is registered in this state.

* * *

§6036. Ports of Louisiana tax credits

* * *

C. Investor tax credit. (1)(a) There are hereby authorized the following credits against state income and corporate franchise tax:

* * *

(b) The Investor Tax Credit provided for in this Subsection shall be granted by the Department of Economic Development for a qualifying project if the commissioner of administration, after approval of the Joint Legislative Committee on the Budget, and the state bond commission certifies to the secretary of the department that securing the project will result in a significant positive economic benefit to the state. "Significant positive economic benefit" means net positive tax revenue that shall be determined by taking into account direct, indirect, and induced impacts of the project based on a standard economic impact methodology utilized by the commissioner, and the value of the credit, and any other state tax and financial incentives that are used by the department to secure the project. If the commissioner with the approval of the committee so certifies, then the Department of Economic Development may grant a tax credit equal to the total capital costs of such qualifying project to be taken at five percent per tax year or shall grant such other amount of tax credit to be taken at such other percentage which is warranted by the significant positive economic benefit determined by the commissioner, but no tax credit granted for a qualifying project shall exceed two million five hundred thousand dollars per tax year. However, the total amount of tax credits granted on a qualifying project shall not exceed the total cost of the project. In addition, the investor tax credits granted by the department to any recipient pursuant to this Section shall be limited to an amount which shall not result in a reduction of tax liability by all recipients of such credits to exceed six million two hundred fifty thousand dollars in any fiscal year.

* * *

I. Import-export cargo tax credit.

* * *

(2)(a)(i) For taxable years beginning on and after January 1, 2014, there shall be allowed a credit against the individual income, corporation income, and corporation franchise tax liability of a taxpayer who has received certification pursuant to the provisions of Paragraph (1) of this Subsection; provided that the credit shall be allowed only against the tax liability of the international business entity which receives the certification. The amount of the credit shall be equal to the product of multiplying five dollars by the taxpayer's number of tons of qualified cargo for the taxable year which exceeds the pre-certification tonnage or the product of multiplying the number of dollars by the taxpayer's number of tons of qualified cargo for the taxable year or portion of a taxable year which exceeds the pre-certification tonnage which is warranted by the significant positive economic benefit determined by the commissioner pursuant to Item (ii) of this Subparagraph,

whichever is less. For purposes of this Item, "pre-certification tonnage" means the number of tons of cargo which meets the definition of qualified cargo for purposes of this credit, and which was owned by the international business entity receiving the credit, were imported or exported to or from a manufacturing, fabrication, assembly, distribution, processing, or warehouse facility located in Louisiana, and which were so moved by way of an oceangoing vessel berthed at public port facilities in Louisiana during the 2013 calendar year. However, each tax credit granted to a taxpayer shall be subject to the same limit as is provided for a qualifying project pursuant to Subparagraph (C)(1)(b) of this Section. In addition, the import-export cargo tax credits granted by the department to any recipient pursuant to this Section shall be limited to an amount which shall not result in a reduction of tax liability by all recipients of such credits to exceed six million two hundred fifty thousand dollars in any fiscal year.

* * *

§6037. Tax credit for "green job industries"

* * *

B. Income tax credits for state-certified green projects:

(1) There is hereby authorized a base investment tax credit for certified, verified, and approved expenditures in the state for the construction, repair, or renovation of a state-certified green project, or for investments made by a company or a financier in such project which are, in turn, expended for such construction, repair, or renovation, not to exceed one million dollars per state-certified green project. No more than five million dollars in tax credits under this Section shall be granted for state-certified green projects per year.

* * *

(2)(a) Tax credits for state-certified green projects shall be earned only as follows:

* * *

(b) The base investment credit for state-certified green projects shall be for the following amounts:

(i) If the total base investment is greater than one hundred thousand dollars and less than or equal to three hundred thousand dollars, a company shall be allowed a tax credit of ten percent of the base investment made by that company.

(ii) If the total base investment is greater than three hundred thousand dollars and less than or equal to one million dollars, a company shall be allowed a tax credit of twenty percent of the base investment made by that company.

(iii) If the total base investment is greater than one million dollars, a company shall be allowed a tax credit of twenty-five percent of the base investment made by that company.

(c) To the extent that base investment is expended on payroll for Louisiana residents employed in connection with the construction of a state-certified green project, a company shall be allowed an additional tax credit of ten percent of the payroll; however, if the amount paid to any one person exceeds one million dollars, the additional credit shall not include any amount paid to that person that exceeds one million dollars.

(d) To the extent that base investment is expended on payroll for Louisiana residents employed in connection with a state-certified green project, who are graduates of an institution within the Louisiana Community and Technical College System or graduates of an apprenticeship program registered with the Louisiana Workforce Commission, each investor shall be allowed an additional tax credit of one percent of such payroll.

* * *

Section 6. R.S. 51:1807(C), 2354(A) and (B), 2399.3(A)(2)(a) and (b), and 3085(B)(1)(a) are hereby amended and reenacted to read as follows:

§1807. Incentives

* * *

C. The board, after consultation with the secretaries of the Department of Economic Development and the Department of Revenue and with the approval of the governor, may enter into contracts to provide for a five thousand dollar tax credit per net new employee as determined by the company's average annual employment reported under the Louisiana Employment Security Law. This tax credit may be applied to any state income tax liability or any state franchise tax liability and shall be used for the taxable year in which the increase in average annual employment occurred. However, if the entire credit cannot be used in the year earned, the excess of the credit over the aggregate tax liabilities against which the credit can be applied shall constitute an overpayment, as defined in R.S. 47:1621(A), and the secretary shall make a refund of such overpayment from the current collections of the taxes imposed by Chapter 1 and Chapter 5 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, as amended. The right to a refund of any such overpayment shall not be subject to the requirement of R.S. 47:1621(B).

* * *

§2354. Technology commercialization credit; amount; duration; forfeit

A. Except as provided in Subsection B of this Section, the taxpayer may earn and apply for and, if qualified, be granted a refundable tax credit which may be applied to any income or corporation franchise tax liability owed to the state by the taxpayer seeking to claim the credit, equal in value to forty percent of the amount of money invested by the taxpayer applicant in commercialization costs for one business location meeting the requirements of R.S. 51:2353(C)(1) and (2) as certified by the Department of Economic Development.

B. A tax credit granted pursuant to this Part shall expire and have no value or effect on tax liability beginning with the twenty-first tax year after the tax year in which it was originally earned, applied for, and granted. An applicant that meets the requirements of R.S. 51:2353 and is approved by the Department of Economic Development may receive a refundable tax credit based on new jobs for the period of time approved which shall be equal to six percent multiplied by the gross payroll of new direct jobs meeting the requirements of R.S. 51:2353(C)(3) and (4) as certified by the Department of Economic Development.

* * *

§2399.3. Modernization tax credit

A.

* * *

(2)(a) The credits approved by the department shall be granted at the rate of five percent of the amount of qualified expenditures incurred by the employer for modernization with the credit divided in equal portions for five years, subject to the limitations provided for in other Paragraphs of this Subsection.

(b) The total amount of modernization tax credits granted by the Department of Economic Development in any calendar year shall not exceed ten million dollars irrespective of the year in which claimed. The department shall by rule establish the method of allocating available tax credits to applicants, including but not limited to a first come, first served system, reservation of tax credits for a specified time period, or other method which the department, in its discretion, may find beneficial to the program. In the event that the total amount of credits granted in any calendar year is less than ten million dollars, any residual amount of unused credits shall carry forward for use in subsequent years and may be granted in addition to the ten million dollar limit for each year.

* * *

§3085. Tax credit

* * *

B.(1)(a) The tax credit shall be calculated by the commissioner as seventy-five percent of the person's investment for the purposes of earning tax credits.

* * *

Section 7.(A) Except as provided for in Subsection (B) of this Section, the provisions of Sections 1, 2, and 3 of this Act shall apply to a claim for a credit on any return filed on or after July 1, 2015, but before June 30, 2018, regardless of the taxable year to which the return relates.

(B) The provisions of Sections 1, 2, and 3 of this Act shall not apply to an amended return filed on or after July 1, 2015, but before June 30, 2018, relating to a credit properly claimed on an original return filed prior to July 1, 2015.

(C) If a return is filed after July 1, 2015, but before June 30, 2018, for which a valid filing extension has been allowed prior to July 1, 2015, then any portion of the credit reduced by the provisions of Sections 1, 2, or 3 of this Act shall be allowed as a credit in the amount of one-third of the reduced portion of the credit on the taxpayer's return for each of the taxable years beginning during calendar years 2017, 2018, and 2019.

Section 8. The provisions of Sections 1, 2, and 3 of this Act shall become effective on July 1, 2015 and shall remain effective through June 30, 2018. The provisions of Sections 4, 5, and 6 of this Act shall become effective on July 1, 2018 and shall apply to original returns filed on or after July 1, 2018."

Respectfully submitted,

Representative Katrina Jackson

Senator Jack Donahue

Representative Joel C. Robideaux

Senator Neil Riser

Speaker Charles E. "Chuck" Kleckley

Senator Robert Adley

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 629

2015 Regular Session

Jackson

Keyword and oneliner of the instrument as it left the House

TAX CREDITS: Reduces income and corporation franchise tax credits

Report adopts Senate amendments to:

1. Increase the reduction to the amount of the tax credits from 20% to 28%.
2. Delete the following tax credits from the bill:
 - R.S. 47:33 Credit for taxes paid to other states
 - R.S. 47:297.2 Credit for physically or mentally incapable dependents
 - R.S. 47:6006 Credits for local inventory taxes
 - R.S. 47:6006.1 Credit for taxes paid for vessels in Outer Continental Shelf Lands Act Waters
 - R.S. 47:6007 Motion picture investor tax credit
 - R.S. 47:6015 Research and development tax credit
 - R.S. 47:6030 Solar energy systems tax credit
3. Make technical changes.

Report rejects Senate amendments which would have:

1. Deleted the following tax credits from the bill:
 - R.S. 47:6020 Angel Investor tax credit program
 - R.S. 47:6022 Digital interactive media and software tax credit
 - R.S. 47:6036 Ports of Louisiana tax credit
2. Authorized a credit against a taxpayer's 2017, 2018, and 2019 return for any claim for a credit not allowed by proposed law on returns filed after July 1, 2015 pursuant to an extension of time to file that was granted prior to July 1, 2015.
3. Prohibited application of proposed law to amended returns timely filed on or after July 1, 2015, relating to an original return that was filed on or prior to July 1, 2015 and properly claimed an exemption, credit, rebate, or deduction.
4. Made technical changes.

Report amends the bill to:

1. Add the insurance premium tax credit to the bill.
2. Make the reduction of the tax credit applicable to projects that receive initial certification on or after July 1, 2015 for the following credits:
 - R.S. 47:6023 Sound recording investor tax credit
 - R.S. 47:6034 Musical and theatrical production income tax credit
 - R.S. 51:2354 Technology commercialization credit
 - R.S. 51:2399.3 Modernization tax credit
3. Sunset the provisions of proposed law relative to the reduction of the amount of the tax credits on June 30, 2018.
4. Make technical changes.

Digest of the bill as proposed by the Conference Committee

Present law provides for the following income and corporation franchise tax credits:

- (1) R.S. 25:1226.4 Atchafalaya Trace Heritage Area Development Zone tax credit
- (2) R.S. 47:34 Corporation tax credit
- (3) R.S. 47:35 Neighborhood assistance tax credit
- (4) R.S. 47:37 Credit for contributions to educational institutions
- (5) R.S. 47:227 Offset against tax; insurance premium
- (6) R.S. 47:265 Credits arising from refunds by utilities
- (7) R.S. 47:287.664 Credits arising from refunds by utilities
- (8) R.S. 47:287.748 Corporation tax credit; re-entrant jobs credit
- (9) R.S. 47:287.749 Jobs credit
- (10) R.S. 47:287.752 Credit for employment of first-time nonviolent offenders
- (11) R.S. 47:287.753 Neighborhood assistance tax credit
- (12) R.S. 47:287.755 Credit for contributions to educational institutions
- (13) R.S. 47:287.758 Credit for bone marrow donor expense
- (14) R.S. 47:287.759 Credit for employee and dependent health insurance coverage
- (15) R.S. 47:297 Reduction to tax due
- (16) R.S. 47:297.6 Credit for rehabilitation of residential structures
- (17) R.S. 47:297.9 Certain military servicemembers and dependents hunting and fishing licenses
- (18) R.S. 47:6004 Employer Credit

- (19) R.S. 47:6005 Qualified new recycling manufacturing equipment and service contracts
- (20) R.S. 47:6008 Credit for donations to assist playgrounds in economically depressed areas
- (21) R.S. 47:6009 Louisiana Basic Skills Training Tax Credit
- (22) R.S. 47:6012 Employer tax credits for donations of materials, equipment, advisors, or instructors
- (23) R.S. 47:6013 Credit for donations to public schools
- (24) R.S. 47:6017 Credit for expenses paid by economic development corporations
- (25) R.S. 47:6018 Credit for purchasers from "PIE contractors"
- (26) R.S. 47:6020 Angel Investor tax credit program
- (27) R.S. 47:6022 Digital interactive media and software tax credit
- (28) R.S. 47:6023 Sound recording investor tax credit
- (29) R.S. 47:6025 Credit for La. Citizens Property Insurance Corp. assessment
- (30) R.S. 47:6026 Cane River heritage tax credit
- (31) R.S. 47:6032 Credit for certain milk producers
- (32) R.S. 47:6034 Musical and theatrical production income tax credit
- (33) R.S. 47:6035 Credit for conversion of vehicles to alternative fuel usage
- (34) R.S. 47:6037 Credit for "green job industries"
- (35) R.S. 51:1807 Incentives (Urban Revitalization)
- (36) R.S. 51:2354 Technology commercialization credit
- (37) R.S. 51:2399.3 Modernization tax credit

Present law (R.S. 47:34) provides for an income tax credit to be used against the tax liability of corporate income taxpayers who generate new full-time and part-time jobs in the state. This tax credit is allowed in lieu of any tax exemptions granted pursuant to the Louisiana Enterprise Zone Act, any ad valorem property tax exemptions for business or industry, or any ad valorem tax exemption allowed through the State Board of Commerce and Industry pursuant to La. Const. Art. VII, Sec. 21(F). The credit is equal to the number of new employees multiplied by varying amounts.

Proposed law retains present law but reduces the eligible amount per employee as follows:

- (1) From \$100 to \$72 per eligible new employee per taxable year.
- (2) From \$200 to \$140 per eligible new economically disadvantaged employee per taxable year.
- (3) From \$250 to \$180 per new employee who is a resident of a neighborhood with an employment rate of 10% or more per taxable year.

Present law (R.S. 47:35) provides for an income tax credit against the state corporate income tax liability for any business firm engaged in certain activities of providing neighborhood assistance, job training, education for individuals, community services, or crime prevention

in the state. Present law requires the business firm to submit a proposal with certain information relative to the project for approval by the commissioner of administration. A tax credit of up to 70% of the actual amount contributed is authorized, but the tax credit for any corporation shall not exceed \$250,000 annually.

Proposed law retains present law but reduces the amount of the credit from 70% to 50% and reduces the maximum credit amount from \$250,000 to \$180,000.

Present law (R.S. 47:37) provides for an income tax credit against a taxpayer's tax liability for contributions, donations, or selling below cost tangible movable property to a public educational institution for the purposes of research, research training, or direct education of students in the state. The credit allowed is 40% of the property's value, or in the case of sale below cost, 40% of the difference between the price received and the value of the property.

Proposed law retains present law but reduces the allowable credit from 40% to 29% of either the property value or the difference between the price received and the value of the property.

Present law (R.S. 47:227) provides for an offset for every insurance company against any tax incurred for taxes on premiums.

Proposed law retains present law but reduces the amount of the offset from any tax incurred to 72% of the taxes incurred on premiums.

Present law (R.S. 47:265 and 287.664) provides for an income tax credit for utility companies against Louisiana income tax for amounts the utility company may have refunded to a customer pursuant to an order of the court or regulatory agency as a result of the denial of a proposed rate increase. The credit may be taken in lieu of a deduction from gross income if the deduction would result in a net loss. The credit is equal to the amount of the income tax increase had the amounts refunded been included in the gross income.

Proposed law retains present law but reduces the amount of the credit from the amount of the income tax increase to 72% of the income tax increase.

Present law (R.S. 47:287.748) provides for an income tax credit against the corporate income tax liability for taxpayers who employ an eligible Intensive Incarceration Program re-entrant. The credit allowed is \$150 per eligible re-entrant employed, but shall not exceed 50% of the corporate income tax.

Proposed law retains present law but reduces the credit from \$150 per eligible re-entrant to \$108 per eligible re-entrant and decreases the maximum allowable credit from 50% of the corporate income tax to 36% of the corporate income tax.

Present law (R.S. 287.749) provides for an income tax credit to be used against the tax liability of corporate income taxpayers who generate new full-time and part-time jobs in the state. This tax credit is allowed in lieu of any tax exemptions granted pursuant to the Louisiana Enterprise Zone Act, any ad valorem property tax exemptions for business or industry, or any ad valorem tax exemption allowed through the State Board of Commerce and Industry pursuant to La. Const. Art. VII, Sec. 21(F). The credit is equal to the number of new employees multiplied by varying amounts.

Proposed law retains present law but decreases the eligible amount per employee as follows:

- (1) From \$100 to \$72 per eligible new employee per taxable year.
- (2) From \$200 to \$144 per eligible new economically disadvantaged employee per taxable year.
- (3) From \$250 to \$162 per new employee who is a resident of a neighborhood with an employment rate of 10% or more per taxable year.

Present law (R.S. 47:287.752) provides for an income tax credit for each taxpayer who provides full-time employment to an individual who has been convicted of a first-time nonviolent offense. Requires certification by the employee's probation officer that the employee has successfully completed a drug treatment program, or any other court-ordered program, and that the employee has worked 180 days full-time for the employer seeking the credit. The credit allowed is \$200 per eligible employee per taxable year.

Proposed law retains present law but reduces the amount of the credit from \$200 per eligible employee to \$144 per eligible employee.

Present law (R.S. 47:287.753) provides for an income tax credit against the state corporate income tax liability for any business firm engaged in certain activities of providing neighborhood assistance, job training, education for individuals, community services, or crime prevention in the state. Present law requires the business firm to submit a proposal with certain information relative to the project for approval by the commissioner of administration. A tax credit of up to 70% of the actual amount contributed is authorized, but the tax credit for any corporation shall not exceed \$250,000 annually.

Proposed law retains present law but reduces the amount of the credit from 70% to 50% and decreases the maximum tax credit amount from \$250,000 to \$180,000.

Present law (R.S. 47:287.755) provides for an income tax credit against a taxpayer's tax liability for contributions, donations, or selling below cost tangible movable property to a public educational institution for the purposes of research, research training, or direct education of students in the state. The credit allowed is computed at the rate of 40% of the property's value, or in the case of sale below cost, 40% of the difference between the price received and the value of the property.

Proposed law retains present law but reduces the allowable credit rates from 40% to 29% of either the property value or the difference between the price received and the value of the property.

Present law (R.S. 47:287.758) provides an income tax credit for taxpayers for certain bone marrow donor expenses. The amount of the credit is 25% of the bone marrow donor expenses incurred during the tax year by an employer to provide the program.

Proposed law retains present law but reduces the amount of the credit from 25% to 18%.

Present law (R.S. 47:287.759) provides for an income tax credit against the income tax for the period in which the credit was earned for certain contractors or subcontractors who contract to do public work. Present law allows a credit of 5% on 40% of the amount of the contract to do public work if the contractor or subcontractor offers 85% of their full-time employees health insurance coverage and pays 75% of the total premium for the health insurance coverage for each employee and not less than 50% for each dependent. Further limits the amount of the credit to not more than \$3 million per year.

Proposed law retains present law but reduces the amount of the credit allowed from 5% to 3.6% and reduces the maximum credit amount from \$3 million to \$2.16 million.

Present law (R.S. 47:297(A)) provides for a tax credit of \$100 for any taxpayer when the taxpayer, taxpayer's spouse, or dependent is deaf, blind, mentally incapacitated, or has lost the use of one or more limbs.

Proposed law retains present law but reduces the amount of the credit from \$100 to \$72.

Present law (R.S. 47:297(B)) provides for a tax credit for the elderly, contributions to candidates for public office, investment credits, credits for foreign tax, work incentive credits, jobs credits, and residential credits. The amount of the credit is the lesser of \$25 or 10% of the same credit allowed on the federal income tax return for the same tax year.

Proposed law retains present law but reduces the amount of the credit from the lesser of \$25 or 10% of the credit allowed on the federal return to the lesser of \$18 or 7.2% of the credit allowed on the federal return.

Present law (R.S. 47:297(C)) provides for an income tax credit for individuals in an amount equal to the state gasoline and motor fuels tax and special fuels taxes paid to operate or propel a commercial fishing boat.

Proposed law retains present law but reduces the amount of the credit from 100% of the amount of the gasoline, motor fuels, and special fuels taxes to 72%.

Present law (R.S. 47:297(D)) provides a \$25 income tax credit per child for individual taxpayers for educational expenses.

Proposed law retains present law but reduces the amount of the credit from \$25 to \$18.

Present law (R.S. 47:297(F)) provides an income tax credit for individual taxpayers in an amount equal to 33.3% of the amount contributed to a family responsibility program under the provisions of present law. Further limits the credit to \$200 per year.

Proposed law retains present law but reduces the amount of the credit from 33.3% to 24% of the contribution and reduces the maximum credit from \$200 to \$144.

Present law (R.S. 47:297(G)) provides for an income tax credit for taxpayers who purchase certain environmental equipment designed to recover or recycle chloroflourocarbons used as refrigerants in commercial, home, and automobile air-conditioning systems, refrigeration units, and industrial cooling applications. The credit allowed is 20% of the purchase price of the equipment, or if the equipment is financed, 20% of the original purchase price paid in that tax year.

Proposed law retains present law but reduces the amounts of the credit from 20% of the purchase price to 14.4%.

Present law (R.S. 47:297(H)) provides for an income tax credit for certain medical doctors and dentist who practice in designated rural areas. The credit allowed is \$5,000 per taxable year up to a maximum of five years for each taxpayer meeting the criteria.

Proposed law retains present law but reduces the amount of the credit from \$5,000 to \$3,600 per taxable year.

Present law (R.S. 47:297(I)) provides an income tax credit for taxpayers for certain bone marrow donor expenses. The amount of the credit is 25% of the bone marrow donor expenses incurred during the tax year by an employer to provide the program.

Proposed law retains present law but reduces the amount of the credit from 25% to 18%.

Present law (R.S. 47:297(J)) provides an income tax credit for individual taxpayers for certain educational expenses associated with attending college. The amount of the credit is equal to the least of the tax due, or 100% of the educational expenses, or \$750.

Proposed law retains present law but reduces the amount of the credit from the least of the tax due, 100% of the education expenses, or \$750 to the least of the tax due, 72% of the education expenses, or \$540.

Present law (R.S. 47:297(L)) provides an income tax credit for qualified taxpayers for the purchase of a bulletproof vest. Requires the qualified taxpayer to be a member of certain law enforcement. The amount of the credit is the lesser of the full purchase price including applicable taxes paid by the taxpayer or \$100.

Proposed law retains present law but reduces the amount of the credit from the lesser of the full purchase price including applicable taxes or \$100 to 72% of the full purchase price including applicable taxes or \$72.

Present law (R.S. 47:297(M)) provides for an income tax credit against individual income tax for amounts paid as premiums for eligible long-term care insurance. The amount of the credit is equal to 10% of the total amount of premiums paid annually.

Proposed law retains present law but reduces the amount of the credit from 10% of the total amount of premiums to 7%.

Present law (R.S. 47:297(N)) provides for an income tax credit against individual income tax equal to certain amounts incurred by a taxpayer for the taxpayer's expenses because of a living organ donation by the taxpayer or taxpayer's spouse. The maximum amount of the credit allowed is \$10,000.

Proposed law retains present law but reduces the maximum amount of the credit from \$10,000 to \$7,200.

Present law (R.S. 47:297(P)) provides for an income tax credit against individual income tax for inclusion of certain accessible and barrier-free design elements in the construction of a new one- or two- family dwelling. The amount of the credit is the lesser of \$1,000 or the total tax liability of the taxpayer.

Proposed law retains present law but reduces the amount of the credit from the lesser of \$1,000 or the total tax liability of the taxpayer to \$720 or 72% of the total tax liability of the taxpayer.

Present law (R.S. 47:297.6) provides for an income tax credit for individual income tax for the amount of eligible costs and expenses incurred during the rehabilitation of an owner-occupied residential or owner-occupied mixed use structure located in certain specific locations. The amount of the credit is equal to 25% of the eligible costs and expenses of a rehabilitation. The maximum credit allowed is \$25,000. Present law further authorizes a credit of 50% of the eligible costs and expenses of a rehabilitation of a vacant and blighted owner-occupied residential structure that is at least 50 years old. Present law provides an annual program cap of \$10 million.

Proposed law retains present law but reduces the credit amount from 25% to 18% of eligible costs and expenses and reduces the credit amount from 50% to 36% of eligible costs and expenses for the rehabilitation of the qualified vacant and blighted residential structures. Further reduces the maximum credit allowed from \$25,000 to \$18,500 and reduces the program cap from \$10 million to \$7.2 million.

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 72%.

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 \$540.

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 14.4% and reduces the annual program cap from \$5 million to \$3.6 million.

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 \$720 or 36% 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 \$180 and reduces the total maximum amount of all basic skills training credits from \$30,000 to \$21,600 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 36%.

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 28.8%.

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 72%.

Present law (R.S. 47:6020) provides for an income tax credit for qualifying individual or entities that invest in a La. Entrepreneurial Business. The credit is equal to 35% of the qualified investment and the total amount of tax credits granted in any calendar tax year by the department shall not exceed \$5 million. Present law further limits qualifying investments by an investor to those that do not exceed \$1 million per year per business and to \$2 million total per business.

Proposed law retains present law but reduces the amount of the credit from 35% of the qualified investment to 25.2% and reduces the total amount of tax credits that may be granted from \$5 million to \$3.6 million in any calendar tax year. Proposed law further reduces the maximum qualifying investment by an investor from \$1 million to \$720,000 and the maximum investment per business from \$2 million to \$1.44 million.

Present law (R.S. 47:6022) provides for an income or franchise tax credit for La. taxpayers for investment in state-certified productions for digital interactive media earned at the time expenditures are made on a state-certified production. The amount of the credit is equal to 25% of the base investment made by the investor. Additionally provides for a credit equal to 10% of base investment expended on payroll for La. residents employed in connection with a state-certified production.

Proposed law retains present law but reduces the amount of the credit from 25% of the base investment to 18% of the base investment and from 10% of the base investment expended on payroll for La. residents to 7.2% of the base investment expended on payroll for La. residents.

Present law (R.S. 47:6023) provides for an income or franchise tax credit for La. taxpayers for investment in state-certified productions for sound recordings earned at the time expenditures are made on a state-certified production. The amount of the credit is equal to 25% of the base investment made by the investor in excess of \$15,000, or in excess of \$5,000 for investors who are La. residents. Additionally provides for a credit equal to 10% of base investment expended on payroll for La. residents employed in connection with a state-certified production. Present law provides an annual program cap of \$3 million.

Proposed law retains present law for state-certified productions that are certified prior to July 1, 2015, but reduces the amount of the credit from 25% of the base investment to 18% of the base investment and reduces the annual program cap from \$3 million to \$2.16 million for state-certified productions that are certified on or after July 1, 2015.

Present law (R.S. 47:6025) provides an income tax credit against La. income tax for the amount of surcharges, market equalization charges, or assessments paid by a taxpayer for the La. Citizens Property Insurance Corporation assessments due to Hurricanes Katrina and Rita.

Proposed law retains present law but reduces the amount of the credit from the full amount of surcharges, market equalization charges, or assessments to 72% of the amount of surcharges, market equalization charges, or assessment.

Present law (R.S. 47:6026) provides for an income or corporation franchise tax credit for certain heritage-based cottage industries located or to be located in the Cane River Heritage Area Development Zone. The credit is equal to an amount up to \$1,500 per contract award and an additional \$1,500 credit for each new employee hired during the taxable year for which the credit is claimed.

Proposed law retains present law but reduces the amount of the credit from \$1,500 per contract award to \$1,080 and reduces the amount of the credit for each new employee hired from \$1,500 to \$1,080.

Present law (R.S. 47:6032) 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 is 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 caps the total aggregate amount of credits for all producers at \$2.5 million per calendar year and limits the credit allowed for each producer at varying amounts.

Proposed law retains present law but reduces the total aggregate amount of credits for all producers from \$2.5 million per calendar year to \$2 million per calendar year. Further reduces the credits allowed for each producer as follows:

- (1) From \$5,000 to \$3,600 tax credit for up to 1 million pounds of milk produced.

- (2) From \$10,000 to \$7,200 tax credit for 1,000,001 to 1.5 million pounds of milk produced.
- (3) From \$15,000 to \$10,800 tax credit for 1,500,001 to 2 million pounds of milk produced.
- (4) From \$20,000 to \$14,400 tax credit for 2,000,001 to 2.5 million pounds of milk produced.
- (5) From \$25,000 to \$18,000 tax credit for 2,500,001 to 3 million pounds of milk produced.
- (6) From \$30,000 to \$21,600 tax credit for greater than 3 million pounds of milk produced.

Present law (R.S. 47:6034) provides for an individual or corporate income tax credit for qualified production expenditures on investments in a state-certified musical or theatrical production or infrastructure project. For state-certified higher education musical or theatrical infrastructure projects that receive initial certification prior to January 1, 2018, a base investment credit may be earned for expenditures made in the state on or before January 1, 2022 for the construction, repair, or renovation of a new state-certified higher education musical or theatrical facility infrastructure project. No more than \$10 million in tax credits are allowed per project and no more than \$60 million is allowed for all state-certified higher education musical or theatrical infrastructure projects. The credit for an investor is granted in varying amounts.

Proposed law retains present law for projects that receive an initial certification prior to July 1, 2015. For projects that receive an initial certification on or after July 1, 2015, and on or before Jan. 1, 2018, proposed law reduces the per project cap from \$10 million to \$7.2 million and the program cap from \$60 million to \$43.2 million. Further reduces the credit amount for investors as follows:

- (1) From 10% to 7.2% of the investor's base investment if the total base investment is greater than \$100,000 and less than or equal to \$300,000.
- (2) From 20% to 14.4% of the investor's base investment if the total base investment is greater than \$300,000 and less than or equal to \$1 million.
- (3) From 25% to 18% of the investor's base investment if the total base investment is greater than \$1 million.

Present law (R.S. 47:6035) 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 is equal to 50% of the cost of the qualified clean-burning motor vehicle fuel property.

Proposed law retains present law but reduces the amount of the credit from 50% to 36%.

Present law (R.S. 47:6036) 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 dollars 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 investor tax credit is equal to the total amount of capital costs of the project which shall be taken at 5% per tax year. The amount of the import-export cargo tax credit is equal to the product of multiplying \$5 by the taxpayer's number of tons of qualified cargo for the taxable year that exceeds the precertification tonnage.

Proposed law retains present law but reduces the amount of the investor tax credit from the total amount of capital costs of the project to 72% of the amount of capital costs of the project. Further reduces the amount of the import-export cargo tax credit from \$5 multiplied

by the taxpayer's number of tons of qualified cargo to \$3.60 multiplied by the taxpayer's number of tons of qualified cargo.

Present law (R.S. 47:6037) provides an individual income or corporate income tax credit for approved expenditures in the state for the construction, repair, or renovation of a state-certified green project. Present law further provides a \$1 million per project cap and a \$5 million annual program cap. The amount of the credit allowed varies.

Present law provides for an additional tax credit of 10% of the base investment expended on payroll for La. residents employed in connection with the construction of a state-certified green project. The additional 10% tax credit for payroll for La. residents does not apply to that amount in excess of \$1 million in payroll made to a single La. resident. Further allows an additional 1% of the base investment expended on payroll for La. residents who are graduates of certain La. programs.

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

- (1) From 10% to 7.2% of the investor's base investment if the total base investment is greater than \$100,000 and less than or equal to \$300,000.
- (2) From 20% to 14.4% of the investor's base investment if the total base investment is greater than \$300,000 and less than or equal to \$1 million.
- (3) From 25% to 18% of the investor's base investment if the total base investment is greater than \$1million.

Proposed law further reduces the additional credit for payroll of La. residents from 10% to 7.2% and reduces the additional credit for payroll for La. residents who are graduates from certain La. programs from 1% to 0.72%.

Present law (R.S. 51:1807) provides for an income or franchise tax credit for businesses located in an urban revitalization zone. The credit is equal to \$5,000 per net new employee. The credit received pursuant to present law is in lieu of any incentive received under the Enterprise Zone Program.

Proposed law retains present law but reduces the amount of the credit from \$5,000 per net new employee to \$3,600.

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 for applications approved prior to July 1, 2015, but reduces the credit for commercialization costs for applications that receive approval on and after July 1, 2015 from 40% of the amount invested to 28.8% of the amount invested and reduces the amount of the credit for qualified new direct jobs from 5% to 4.32% 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 for credits approved prior to July 1, 2015, but reduces the amount of the credit for credits approved on or after July 1, 2015 from 5% to 3.6% and reduces the annual program cap from \$10 million to \$7.2 million.

Proposed law sunsets the provisions of proposed law relative to reducing the amount of the tax credits on June 30, 2018. Proposed law reinstates the provisions of present law on July 1, 2018 and thereafter.

The provisions of proposed law relative to reducing the amount of the tax credits shall apply to claims for credits on any return filed on or after July 1, 2015, but before June 30, 2018, regardless of the taxable year to which the return relates.

The provisions of proposed law relative to reducing the amount of the tax credits shall not apply to an amended return filed on or after July 1, 2015, but before June 30, 2018, relating to a credit properly claimed on an original return filed prior to July 1, 2015.

If a return is filed after July 1, 2015, but before June 30, 2018, for which a valid filing extension has been allowed prior to July 1, 2015, then any portion of the credit reduced by the provisions of proposed law relative to reducing the amount of the tax credits shall be allowed as a credit in the amount of one-third of the reduced portion of the credit on the taxpayer's return for each of the taxable years beginning during calendar years 2017, 2018, and 2019.

The provisions of proposed law relative to reducing the amount of the tax credits shall become effective on July 1, 2015 and shall remain effective through June 30, 2018. The remaining provisions of proposed law shall become effective on July 1, 2018 and shall apply to original returns filed on or after July 1, 2018.

(Amends R.S. 25:1226.4(C)(1) and (2), R.S. 47:34(B)(1), 35(C), 37(C), 227, 265, 287.664, 287.748(B)(1), 287.749(B), 287.752(B)(1), 287.753(C), 287.755(C), 287.758(B), 287.759(A) and (C)(3), 297(A), (B), (C)(1), (D)(2), (F), (G)(2), (H)(1), (I)(2), (J)(4), (K)(2)(a), (L)(3), (M)(1), (N)(1) and (2), and (P)(2), 297.6(A)(1) and (5), 297.9(A), 6004(A)(2), the heading of 6005, 6005(C)(1) and (D)(1), 6008(A), 6009(D)(1), 6012(B), 6013(A), 6017(A), 6018(C), 6020(D)(1) and (2)(a), 6022(D)(2)(intro. para.), 6023(C)(1) and (3)(intro. para.), 6025(A)(1), 6026(D)(2) and (3), 6032(C) and (F), 6034(C)(1)(a)(ii)(bb), (C)(1)(a)(iii), (C)(1)(c), and (d), 6036(C)(1)(b) and (I)(2)(a)(i), 6035(C)(1) and (D), and 6037(B)(1) and (2)(b), (c), and (d) and R.S. 51:1807(C), 2354(A) and (B), 2399.3(A)(2)(a) and (b), and 3085(B)(1)(a); Adds R.S. 47:6022(D)(3))