

2021 Regular Session

HOUSE BILL NO. 454

BY REPRESENTATIVE DEVILLIER

TAX/INCOME TAX: Reduces the amount of certain income tax exclusions, exemptions, deductions, and credits

1 AN ACT

2 To amend and reenact R.S. 47:51, 158(C) and (D), 227, 246(A), 287.71(B)(2), (3), (4), and

3 (6)(a) and (b)(introductory paragraph), 287.73(C)(1) and (4), 287.86(A), 287.664,

4 287.738(F) and (G), 287.745(B), 287.753(C), 287.758(B), 287.759(A) and (C)(3),

5 297.13(B), 6005(C)(1) and (D), 6006(D)(5), 6006.1(E)(3), 6007(J)(1)(b), (2)(a), and

6 3(a), 6008(A), 6013(A), 6014(A), 6015(C)(2) and (D)(1), 6016.1(B)(1)(b) and

7 (E)(5)(b), 6017(A), 6018(C), 6019(A)(1)(a), (c), and (e), 6020(D)(1) and (2)(a),

8 6022(D)(4), 6023(C)(1)(c), (d), and (e) and (3)(introductory paragraph), 6032(C) and

9 (F), 6034(C)(1)(a)(iii)(cc), (c)(ii), and (d)(iii) and (4)(a) and (b), 6035(C)(1) and (D),

10 6105(A), 6107(A), and 6301(A)(1) and R.S. 51:1787(A)(1)(b) and (2)(a) and (b) and

11 (G), 1807(A), 1924(B)(1), (2), and (3)(a) and (b) and (D)(1), 2354(C),

12 2399.3(A)(2)(c), and 3085(B)(1)(a) and to repeal R.S. 47:12, 34, 37, 287.748,

13 287.749, 287.752, 287.755, 6012, 6016, 6021, 6025, 6026, 6030, and 6037, relative

14 to income tax incentives; to provide with respect to income tax credits, deductions,

15 exemptions, and exclusions; to reduce the amount of certain income tax credits,

16 deductions, exemptions, and exclusions; to provide for applicability; to provide for

17 an effective date; and to provide for related matters.

18 Be it enacted by the Legislature of Louisiana:

19 Section 1. R.S. 47:51, 158(C) and (D), 227, 246(A), 287.71(B)(2), (3), (4) and (6)(a)

20 and (b)(introductory paragraph), 287.73(C)(1) and (4), 287.86(A), 287.664, 287.738(F) and

1 (G), 287.745(B), 287.753(C), 287.758(B), 287.759(A) and (C)(3), 297.13(B), 6005(C)(1)
2 and (D), 6006(D)(5), 6006.1(E)(3), 6007(J)(1)(b), (2)(a), and 3(a), 6008(A), 6013(A),
3 6014(A), 6015(C)(2) and (D)(1), 6016.1(B)(1)(b) and (E)(5)(b), 6017(A), 6018(C),
4 6019(A)(1)(a), (c), and (e), 6020(D)(1) and (2)(a), 6022(D)(4), 6023(C)(1)(c), (d), and (e)
5 and (3)(introductory paragraph), 6032(C) and (F), 6034(C)(1)(a)(iii)(cc), (c)(ii), and (d)(iii)
6 and (4)(a) and (b), 6035(C)(1) and (D), 6105(A), 6107(A), and 6301(A)(1) are hereby
7 amended and reenacted to read as follows:

8 §51. Exclusions from gross income; governmental subsidies

9 ~~Funds~~ Fifty percent of funds accrued by a corporation engaged in operating
10 a public transportation system from any federal, state or municipal governmental
11 entity to subsidize the operation and maintenance of such a transportation system
12 shall not be included in gross income and shall be exempt from taxation under this
13 Chapter. All expenses of operating the transit system incurred by the corporation
14 shall be deductible in arriving at net income.

15 * * *

16 §158. Basis for depletion

17 * * *

18 C. Percentage depletion for oil and gas wells. In the case of oil and gas wells
19 the allowance for depletion under R.S. 47:66 shall be ~~twenty-two~~ eleven percent of
20 the gross income from the property during the taxable year, excluding from such
21 gross income an amount equal to fifty percent of any rents or royalties paid or
22 incurred by the taxpayer in respect of the property. Such allowance shall not exceed
23 ~~fifty~~ twenty-five percent of the net income of the taxpayer, computed without
24 allowance for depletion, from the property except that in no case shall the depletion
25 allowance under R.S. 47:66 be less than it would be if computed without reference
26 to this Subsection.

27 D. Percentage depletion for coal and metal mines and sulphur. The
28 allowance for depletion under R.S. 47:66 shall be, in the case of coal mines, ~~five~~ two
29 and one-half of one percent, in the case of metal mines, ~~fifteen~~ seven and one-half

1 of one percent, and in the case of sulphur mines or deposits, ~~twenty-three~~ eleven and
2 one-half of one percent, of the gross income from the property during the taxable
3 year, excluding from such gross income an amount equal to fifty percent any rents
4 or royalties paid or incurred by the taxpayer in respect of the property. Such
5 allowance shall not exceed ~~fifty~~ twenty-five percent of the net income of the
6 taxpayer, computed without allowance for depletion, from the property. A taxpayer
7 making his first return under this Chapter or under Act 21 of 1934 in respect of a
8 property, shall state whether he elects to have the depletion allowance for such
9 property for the taxable year for which the return is made computed with or without
10 regard to percentage depletion, and the depletion allowance in respect of such
11 property for such year and all succeeding taxable years shall be computed according
12 to the election thus made. If the taxpayer fails to make such statement in the return,
13 the depletion allowance for such property for all taxable years shall be computed
14 without reference to percentage depletion. This Subsection shall not be construed
15 as granting a new election to any taxpayer relative to any property with respect to
16 which he has filed a return under Act 21 of 1934.

* * *

18 §227. Offset against tax

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

* * *

24 §246. Corporations; deduction from net income from Louisiana sources

25 A. Subject to the limitations provided herein, there shall be deducted from
26 any net income from Louisiana sources determined under the provisions of R.S.
27 47:241 of a corporation for any year following the close of the first taxable year
28 which commenced on or after January 1, 1979, and prior to January 1, 2023, the
29 amount of net Louisiana loss incurred in a preceding year determined as provided in

1 Subsection B of this Section. For taxable years beginning on and after January 1,
2 2023, the amount of the deduction allowed shall be fifty percent of the amount of net
3 Louisiana loss incurred in a preceding year determined as provided in Subsection B
4 of this Section.

5 * * *

6 §287.71. Modifications to federal gross income

7 * * *

8 B. There shall be subtracted from gross income determined under federal
9 law, unless already excluded therefrom, the following items:

10 * * *

11 (2) ~~Funds~~ Fifty percent of funds accrued by a corporation engaged in
12 operating a public transportation system from any federal, state, or municipal
13 governmental entity to subsidize the operation and maintenance of such a
14 transportation system.

15 (3) ~~Refunds~~ Fifty percent of refunds of Louisiana corporation income tax
16 received during the taxable year.

17 (4) ~~Interest~~ Fifty percent of interest on obligations or securities issued by the
18 state of Louisiana or its political or municipal subdivisions.

19 * * *

20 (6)(a) ~~Amounts~~ Fifty percent of amounts received as dividend income from
21 banking corporations organized under the laws of Louisiana, from national banking
22 corporations doing business in Louisiana, and from capital stock associations whose
23 stock is subject to ad valorem taxation.

24 (b) ~~Amounts~~ Fifty percent of amounts received as dividend income by any
25 member of a regulated group of entities. For purposes of this Subparagraph, the
26 following terms shall have the meanings ascribed to them:

27 * * *

28 §287.73. Modifications to deductions from gross income allowed by federal law

29 * * *

1 C. Additions. The following items are declared allowable as deductions in
2 the computation of net income and shall be added to the deductions allowed under
3 federal law to the extent not already included therein:

4 (1) ~~Expenses~~ Fifty percent of expenses that would otherwise be deductible
5 under federal law but for the provisions of 26 U.S.C. 280E, for a licensee of this state
6 pursuant to Part X-E of Chapter 4 of Title 40 of the Louisiana Revised Statutes of
7 1950, as amended, related to the production or dispensing of marijuana
8 recommended for therapeutic use by patients clinically diagnosed as suffering from
9 a debilitating medical condition as defined in R.S. 40:1046.

10 * * *

11 (4) Expenses disallowed by 26 U.S.C. 280C. ~~Expenses~~ Fifty percent of
12 expenses that would otherwise be deductible under federal law but for the
13 disallowance provisions of 26 U.S.C. 280C, relative to certain expenses for which
14 credits are allowable.

15 * * *

16 §287.86. Net operating loss deduction

17 A. Deduction from Louisiana net income. Except as otherwise provided, for
18 all claims for this deduction on any return filed on or after July 1, 2015, but before
19 January 1, 2023, regardless of the taxable year to which the return relates, there shall
20 be allowed for the taxable year a deduction reducing Louisiana net income in an
21 amount equal to seventy-two percent of the net operating loss carryovers to such
22 year, but the deduction shall never exceed seventy-two percent of Louisiana net
23 income. Beginning January 1, 2023, regardless of the taxable year to which the
24 return relates, the deduction for the taxable year to reduce Louisiana net income shall
25 equal thirty-six percent of the net operating loss carryovers to the year, but the
26 deduction shall never exceed thirty-six percent of Louisiana net income.

27 * * *

1 by a hurricane recovery entity as defined in R.S. 47:293 shall be allowed as a
2 deduction if such benefit was included in federal adjusted gross income.

3 * * *

4 §287.745. Deductions from gross income; depletion

5 * * *

6 B. In the case of oil and gas wells, the percentage depletion provided for in
7 Subsection A shall be ~~twenty-two~~ eleven percent of gross income from the property
8 during the taxable year, excluding from such gross income an amount equal to fifty
9 percent of any rents or royalties paid or incurred by the taxpayer in respect of the
10 property. Such allowance shall not exceed ~~fifty~~ twenty-five percent of the net
11 income of the taxpayer, computed without allowance for depletion, from the
12 property. In determining net income from the property, federal income taxes shall
13 be considered an expense.

14 * * *

15 §287.753. Neighborhood assistance tax credit

16 * * *

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

28 * * *

1 §287.758. Tax credit for bone marrow donor expense

2 * * *

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

8 * * *

9 §287.759. Tax credit for employee and dependent health insurance coverage

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

20 * * *

21 C.

22 * * *

23 (3) The credit shall not exceed ~~two million one hundred sixty~~ one million
24 eighty thousand dollars per year.

25 * * *

26 §297.13. Tax deduction; employment of certain qualified disabled individuals;
27 requirements; limitations

28 * * *

1 B. The amount of the income tax deduction shall be equal to ~~fifty twenty-~~
2 five percent of the gross wages paid to a qualified disabled individual during the
3 individual's first four continuous months of employment and ~~thirty fifteen~~ percent
4 of the gross wages paid to the qualified individual with a disability during each
5 subsequent continuous month of employment. The taxpayer shall be entitled to the
6 deduction for each qualified individual with a disability the taxpayer employs each
7 taxable year; however, there shall be no more than one hundred employees for which
8 the deduction is allowed program wide. The Department of Revenue and the
9 Louisiana Department of Health shall approve applications claiming the deduction
10 and may promulgate rules and regulations pursuant to the Administrative Procedure
11 Act in consultation with the Department of Veterans Affairs for the purpose of
12 implementing the provisions of this Section. The Louisiana Department of Health
13 shall maintain records indicating the limit of one hundred employees eligible for this
14 deduction. The rules and regulations may include provisions requiring taxpayers to
15 submit documentation with their returns or to specifically retain records that will
16 enable the department to determine the taxpayer's eligibility for and amount of the
17 tax deduction claimed under this Section. To the extent practicable, the deductions
18 shall be apportioned equitably to employers who are geographically representative
19 of all portions of the state.

* * *

21 §6005. Qualified new recycling manufacturing or process equipment and service
22 contracts

* * *

24 C.(1) A taxpayer who purchases qualified new recycling manufacturing or
25 process equipment or qualified service contracts, or both, as defined in this Section
26 and certified by the secretary of the Department of Environmental Quality to be used
27 or performed exclusively in this state shall be entitled to a credit against any income
28 and corporation franchise taxes imposed by the state in an amount equal to ~~fourteen~~
29 seven percent of the cost of the new recycling manufacturing or process equipment

1 or qualified service contract, or both, less the amount of any other tax credits
2 received for the purchase of such equipment or contract, or both.

3 * * *

4 D.~~(†)~~ The amount of the credit claimed in the taxable period for which
5 certification of equipment is received, and the amount of credit claimed therefor in
6 each taxable period thereafter, shall not exceed twenty percent of the amount of the
7 total credit allowable. In no case shall the credit claimed exceed fifty percent of the
8 tax liability which would be otherwise due for that taxable period. Any unused
9 credit for a taxable year in which a credit is allowed may be carried forward to
10 subsequent years until the credit is exhausted. Total credits certified by the secretary
11 of the Department of Environmental Quality in any calendar year shall not exceed
12 ~~three million six hundred thousand~~ one million eight hundred thousand dollars.

13 * * *

14 §6006. Tax credits for local inventory taxes paid

15 * * *

16 D. The credit provided in this Section shall be allowed as follows:

17 * * *

18 (5) For inventory taxes paid to political subdivisions on or after July 1, 1996,
19 the credit shall be ~~one hundred~~ fifty percent of such taxes paid.

20 * * *

21 §6006.1. Tax credits for taxes paid with respect to vessels in Outer Continental
22 Shelf Lands Act Waters

23 * * *

24 E. The credit provided in this Section shall be allowed as follows:

25 * * *

26 (3) For ad valorem taxes on Outer Continental Shelf Lands Act Waters
27 vessels paid to political subdivisions on or after July 1, 1996, the credit shall be ~~one~~
28 hundred fifty percent of such taxes paid.

29 * * *

1 §6007. Motion picture production tax credit

2 * * *

3 J. Credit caps, structured pay outs, and project size limitations.

4 (1) Department of Economic Development program issuance cap.

5 * * *

6 (b)(i) For applications for state-certified productions and qualified
7 entertainment companies submitted on or after July 1, 2017, through June 30, 2021,
8 the total amount of all tax credits granted in a final certification letter by the
9 department in any fiscal year shall not exceed one hundred fifty million dollars.
10 Twenty percent of the annual program cap shall be reserved as follows: five percent
11 for qualified entertainment companies, five percent for Louisiana screenplay
12 productions, and ten percent for independent film productions. If the total amount
13 of credits applied for in any particular year exceeds the aggregate amount of tax
14 credits allowed for that year, the excess shall be treated as having been applied for
15 on the first day of the subsequent year.

16 (ii) For applications for state-certified productions and qualified
17 entertainment companies submitted on or after July 1, 2023, the total amount of all
18 tax credits granted in a final certification letter by the department in any fiscal year
19 shall not exceed seventy-five million dollars. Twenty percent of the annual program
20 cap shall be reserved as follows: five percent for qualified entertainment companies,
21 five percent for Louisiana screenplay productions, and ten percent for independent
22 film productions. If the total amount of credits applied for in any particular year
23 exceeds the aggregate amount of tax credits allowed for that year, the excess shall
24 be treated as having been applied for on the first day of the subsequent year.

25 * * *

26 (2) Department of Revenue taxpayer claim cap.

27 (a)(i) Beginning July 1, 2017, through June 30, 2021, claims against state
28 income tax allowed on returns for tax credits or transfers of such tax credits,
29 including legacy credits, to the Department of Revenue as provided for in Paragraph

1 (C)(4) of this Section shall be limited to an aggregate total of one hundred eighty
2 million dollars each fiscal year. If less than one hundred eighty million dollars of
3 such tax credits and transfers are allowed in a fiscal year, the remaining amount, plus
4 any amounts remaining from previous fiscal years, shall be added to the one hundred
5 eighty million dollar limit of subsequent fiscal years until that amount of tax credits
6 or tax credit transfers to the Department of Revenue are claimed and allowed.

7 (ii) Beginning July 1, 2023, claims against state income tax allowed on
8 returns for tax credits or transfers of tax credits, including legacy credits, to the
9 Department of Revenue as provided for in Paragraph (C)(4) of this Section shall be
10 limited to an aggregate total of ninety million dollars each fiscal year. If less than
11 ninety million dollars of tax credits and transfers are allowed in a fiscal year, the
12 remaining amount, plus any amounts remaining from previous fiscal years, shall be
13 added to the ninety million dollar limit of subsequent fiscal years until that amount
14 of tax credits or tax credit transfers to the Department of Revenue are claimed and
15 allowed.

16 * * *

17 (3) Department of Economic Development individual project issuance cap.

18 (a) Project-based production tax credit. (i) For applications for
19 state-certified productions submitted on or after July 1, 2017, through June 30, 2021,
20 the maximum amount of credits that may be granted for a single state-certified
21 production shall not exceed twenty million dollars, except for state-certified
22 productions for scripted episodic content that may be granted up to twenty-five
23 million dollars per season.

24 (ii) For applications for state-certified productions submitted on or after July
25 1, 2023, the maximum amount of credits that may be granted for a single
26 state-certified production shall not exceed ten million dollars, except for state-
27 certified productions for scripted episodic content that may be granted up to twelve
28 million five hundred thousand dollars per season.

29 * * *

1 §6008. Tax credits for donations made to assist playgrounds in economically
2 depressed areas

3 A. There shall be allowed a credit against any Louisiana income or
4 corporation franchise tax for qualified donations made to qualified playgrounds. The
5 credit shall be an amount equal to the lesser of ~~seven hundred twenty~~ three hundred
6 sixty dollars or ~~thirty-six one hundredths~~ eighteen one hundredths of the value of the
7 cash, equipment, goods, or services donated. Any ~~such~~ credit shall be taken as a
8 credit against the applicable tax or taxes only in the taxable period in which the
9 donation is made. The total amount of the credits taken by any taxpayer during any
10 taxable year shall not exceed one thousand dollars.

11 * * *

12 §6013. Tax credits for donations made to public schools

13 A. There shall be allowed a credit against the corporate income tax and the
14 corporation franchise tax for qualified donations made to a public school. The credit
15 shall be an amount equal to ~~twenty-eight~~ fourteen percent of the appraised value of
16 the qualified donation. Any ~~such~~ credit shall be taken as a credit against the
17 corporate income or corporation franchise tax for the taxable year in which the
18 donation is made. The total of all ~~such~~ credits taken in a taxable year shall not exceed
19 the total tax liability for that taxable year.

20 * * *

21 §6014. Credit for property taxes paid by certain telephone companies; fund

22 A. Pursuant to the provisions of this Section, there shall be allowed a credit
23 against Louisiana corporation or individual income taxes and Louisiana corporation
24 franchise tax for, and in an amount equal to, ~~forty~~ twenty percent of the aggregate
25 ad valorem taxes paid to political subdivisions of this state after December 31, 2000,
26 by a telephone company, as defined in R.S. 47:1851(Q), with respect to ~~such~~ the
27 telephone company's public service properties, as defined in R.S. 47:1851(M), which

1 are assessed by the Louisiana Tax Commission at twenty-five percent of fair market
2 value pursuant to R.S. 47:1854.

3 * * *

4 §6015. Research and development tax credit

5 * * *

6 C.

7 * * *

8 (2) The amount of the credit authorized in this Section shall be equal to
9 either:

10 (a) ~~Five~~ Two and one-half of one percent of the difference, if any, of the
11 Louisiana qualified research expenses for the taxable year minus the base amount,
12 if the taxpayer is an entity that employs one hundred or more persons.

13 (b) ~~Ten~~ Five percent of the difference, if any, of the Louisiana qualified
14 research expenses for the taxable year minus the base amount, if the taxpayer is an
15 entity that employs fifty to ninety-nine persons.

16 (c) ~~Thirty~~ Fifteen percent of the difference, if any, of the Louisiana qualified
17 research expenses for the taxable year minus the base amount, if the taxpayer is an
18 entity that employs less than fifty persons.

19 * * *

20 D.(1) A taxpayer who receives a Phase I or II grant from the federal Small
21 Business Technology Transfer Program or a federal Small Business Innovation
22 Research Grant as created by the Small Business Innovation Development Act of
23 1982 (P.L. 97-219), reauthorized by the Small Business Research and Development
24 Enhancement Act (P.L. 102-564), and reauthorized again by the Small Business
25 Reauthorization Act of 2000 (P.L. 106-554) shall be allowed a tax credit in an
26 amount equal to ~~thirty~~ fifteen percent of the award received during the tax year.

27 * * *

28 §6016.1. Louisiana New Markets Jobs Act; premium tax credit

29 * * *

1 B. As used in this Section, the following words, terms, and phrases have the
2 meaning ascribed to them unless a different meaning is clearly indicated by the
3 context:

4 (1)

5 * * *

6 (b) "Applicable percentage" means ~~fifteen~~ seven and one-half of one percent
7 for the fourth through sixth credit allowance dates and ~~ten~~ five percent for the
8 seventh credit allowance for all qualified equity investments issued on or after
9 August 1, 2020.

10 * * *

11 E.

12 * * *

13 (5)

14 * * *

15 (b) A total of ~~seventy-five~~ thirty-seven million five hundred thousand dollars
16 of qualified equity investment authority shall be available for certification and
17 allocation for applications beginning August 1, 2020. The department shall accept
18 applications beginning on August 1, 2020, for allocation and certification of up to
19 ~~seventy-five~~ thirty-seven million five hundred thousand dollars of qualified equity
20 investments.

21 * * *

22 §6017. Tax credits for certain expenses paid by economic development corporations

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

1 Commission that is incurred by the corporation in the preparation and issuance of the
2 bonds.

3 * * *

4 §6018. Tax credits for purchasers from "PIE contractors"

5 * * *

6 C. The amount of the credit shall be equal to ~~seventy-two~~ thirty-six percent
7 of the state sales and use tax paid by the purchaser on each case or other unit of
8 apparel during the purchaser's tax year as reflected on the books and records of the
9 purchaser during his tax year.

10 * * *

11 §6019. Tax credit; rehabilitation of historic structures

12 A.(1)(a) There shall be a credit against income and corporation franchise tax
13 for the amount of eligible costs and expenses incurred during the rehabilitation of a
14 historic structure located in a downtown development or a cultural district. The
15 amount of the credit shall ~~equal~~ be as follows:

16 (i) Twenty-five ~~twenty-five~~ percent of the eligible costs and expenses of the
17 rehabilitation incurred prior to January 1, 2018, regardless of the year in which the
18 property is placed in service.

19 (ii) Twenty ~~The amount of the credit shall equal twenty~~ percent of the
20 eligible costs and expenses of the rehabilitation incurred on or after January 1, 2018,
21 and before ~~January 1, 2026~~ January 1, 2023, regardless of the year in which the
22 property is placed in service.

23 (iii) Ten percent of the eligible costs and expenses of the rehabilitation
24 incurred on or after January 1, 2023, and before January 1, 2026, regardless of the
25 year in which the property is placed in service.

26 (iv) No credit is authorized pursuant to this Section for expenses incurred on
27 or after January 1, 2026.

28 * * *

1 (c) No taxpayer, or any entity affiliated with such taxpayer, shall claim more
2 than ~~five~~ two million ~~five hundred thousand~~ dollars of credit annually for any
3 number of structures rehabilitated with a particular downtown development or
4 cultural district.

5 * * *

6 (e) For State of Louisiana Commercial Rehabilitation Tax Credit Part 2
7 applications received by the Department of Culture, Recreation and Tourism on or
8 after January 1, 2021, the maximum aggregate total of tax credits that may be
9 reserved by all taxpayers pursuant to the provisions of this Section shall not exceed
10 ~~one hundred twenty-five~~ sixty-two million ~~five hundred thousand~~ dollars annually.
11 If the amount of tax credit reservations issued in a calendar year is less than ~~one~~
12 ~~hundred twenty-five~~ sixty-two million ~~five hundred thousand~~ dollars, the excess
13 reservation amount shall be available for issuance in any subsequent calendar year.
14 The Department of Culture, Recreation and Tourism shall establish by rule the
15 method of reserving available tax credits including, but not limited to a first-come,
16 first-served system or any other method that the Department of Culture, Recreation
17 and Tourism determines to be beneficial to the program. Rules promulgated
18 pursuant to the provisions of this Subparagraph shall be subject to oversight by the
19 House Committee on Ways and Means and the Senate Committee on Revenue and
20 Fiscal Affairs. The Department of Revenue and the Department of Culture,
21 Recreation and Tourism shall make reasonable efforts to post a listing of estimated
22 credit amounts remaining under the annual cap on their websites.

23 * * *

24 §6020. Angel Investor Tax Credit Program

25 * * *

26 D. Tax credits. (1) The total amount of tax credits granted by the
27 department in any calendar year shall not exceed ~~three million six~~ one million eight
28 hundred thousand dollars. The department shall by rule establish the method of
29 allocating available tax credits to investors including but not limited to a first-come,

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 first-served system, reservation of tax credits for a specific time period, or other
 2 method which the department, in its discretion, may find beneficial to the program.
 3 If the department does not grant the entire ~~three million six~~ one million eight
 4 hundred thousand dollars in tax credits in any calendar year, the amount of residual
 5 unused tax credits shall carry forward to subsequent calendar years and may be
 6 granted in any year without regard to the ~~three million six hundred thousand dollar~~
 7 per year limitation. After the approval of an investor pool, the department shall issue
 8 a letter identifying the amount of tax credits that are available to that pool; however,
 9 no tax credit shall be granted to an investor until the investment has been made in the
 10 Louisiana Entrepreneurial Business.

11 (2)(a) An investor may apply for and, if qualified, be granted a credit on any
 12 income or corporation franchise tax liability owed to the state by the taxpayer
 13 seeking to claim the credit in the amount approved by the secretary of the
 14 department. The amount of the tax credit shall be based upon the amount of money
 15 invested by the investor in the Louisiana Entrepreneurial Business, which investment
 16 shall not exceed seven hundred twenty thousand dollars per year per business and
 17 one million four hundred forty thousand dollars total per business. Except as
 18 otherwise provided in Subparagraph (b) of this Paragraph, the credit shall be allowed
 19 against the income tax for the taxable period in which the credit is earned and the
 20 franchise tax for the taxable period following the period in which the credit is earned.
 21 The credits approved by the department shall be granted at the rate of ~~twenty-five~~
 22 twelve and one-half of one percent of the amount of the investment with the credit
 23 divided in equal portions for two years.

24 * * *

25 §6022. Digital interactive media and software tax credit

26 * * *

27 D. Tax credit; specific projects.

28 * * *

1 (d) Company-based QMC payroll credit. For applications for Qualified
2 Music Companies received on or after July 1, 2017, or for applications for Qualified
3 Music Companies that have been submitted but that have not received final
4 certification by July 1, 2019, to the extent that base investment is expended on
5 payroll for Louisiana residents in connection with a QMC, tax credits shall be earned
6 at the following rates:

7 (i) Tier 1. A payroll credit of ~~ten~~ five percent shall be earned for each new
8 job whose QMC payroll is equal to or greater than thirty-five thousand dollars per
9 year, up to sixty-six thousand dollars per year.

10 (ii) Tier 2. A payroll credit of ~~fifteen~~ seven and one-half of one percent shall
11 be earned for each new job whose QMC payroll is equal to or greater than sixty-six
12 thousand dollars per year, but no greater than two hundred thousand dollars per year.

13 (e) Resident copyright credit. To the extent that the base investment by a
14 QMC is expended on a sound recording production of a resident copyright, the
15 investor shall be allowed an additional ~~ten~~ five percent increase in the base
16 investment rate.

17 * * *

18 (3) Except as otherwise provided in this Paragraph, the aggregate amount of
19 credits certified for all investors pursuant to this Section during any calendar year
20 shall not exceed ~~two million one hundred sixty~~ one million eighty thousand dollars.
21 However, fifty percent of the aggregate amount of credits certified each year shall
22 be reserved for QMCs. No more than ~~one hundred~~ fifty thousand dollars in tax
23 credits may be granted per project, per calendar year.

24 * * *

25 §6032. Tax credit for certain milk producers

26 * * *

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

1	Amount of Milk Produced:	Amount of Tax Credit:	
2	Up to 1,000,000 pounds	\$ 3,600	<u>\$ 1,800</u>
3	1,000,001 to 1,500,000 pounds	\$ 7,200	<u>\$ 3,600</u>
4	1,500,001 to 2,000,000 pounds	\$10,800	<u>\$ 5,400</u>
5	2,000,001 to 2,500,000 pounds	\$14,400	<u>\$ 7,200</u>
6	2,500,001 to 3,000,000 pounds	\$18,000	<u>\$ 9,000</u>
7	3,000,001 pounds and above	\$21,600	<u>\$10,800</u>

8 * * *

9 F. The credit allowed for each producer pursuant to this Section shall not
10 exceed twenty-one thousand six hundred dollars per calendar year. The total
11 aggregate amount of tax credits for all producers provided for under this Section
12 shall be capped at ~~one million eight~~ nine hundred thousand dollars per calendar year.

13 * * *

14 §6034. Musical and theatrical production income tax credit

15 * * *

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

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

20 (a)

21 * * *

22 (iii)

23 * * *

24 (cc) For state-certified projects that receive initial certification on or after
25 July 1, 2017, and except as limited for state-certified infrastructure projects as
26 provided for in this Subparagraph, the base investment credit shall be for the
27 following amounts:

28 (I) If the total base investment is greater than one hundred thousand dollars
29 and less than or equal to three hundred thousand dollars, a company shall be allowed

1 a tax credit of ~~seven~~ three and one-half of one percent of the base investment made
2 by that company.

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

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

9 * * *

10 (c)

11 * * *

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

20 (d)

21 * * *

22 (iii) To the extent that base investment is expended on payroll for Louisiana
23 residents employed in connection with a state-certified musical or theatrical
24 production that receives initial certification on or after July 1, 2017, except for the
25 students provided for in Subparagraph (c) of this Paragraph, or the construction of
26 a state-certified higher education musical or theatrical facility infrastructure project,
27 a company shall be allowed an additional tax credit of ~~seven~~ three and one-half of
28 one percent of such payroll; however, if the amount paid to any one person exceeds

1 one million dollars, the additional credit shall not include any amount paid to that
2 person that exceeds one million dollars.

3 * * *

4 (4)(a) Beginning July 1, 2017, the total amount of tax credits granted by the
5 department in any fiscal year shall not exceed ~~ten~~ five million dollars.

6 (b) For applications received on or after July 1, 2017, no more than ~~one~~
7 ~~million~~ five hundred thousand dollars in tax credits shall be granted per project.

8 * * *

9 §6035. Tax credit for conversion of vehicles to alternative fuel usage

10 * * *

11 C.(1) The credit provided for in this Section shall be allowed against
12 individual or corporate income tax for the taxable period in which the qualified
13 clean-burning motor vehicle fuel property, as defined in Subparagraphs (B)(2)(a) and
14 (c) of this Subsection, is purchased and installed and shall be equal to ~~thirty~~ fifteen
15 percent of the cost of the qualified clean-burning motor vehicle fuel property.

16 * * *

17 D. In cases of a new motor vehicle purchased by a taxpayer with qualified
18 clean-burning motor vehicle fuel property, as defined in Subparagraph (B)(2)(b) of
19 this Subsection, if installed by the vehicle's manufacturer the taxpayer may claim a
20 credit against individual or corporate income tax for the taxable period in which the
21 new motor vehicle is purchased equal to ~~ten~~ five percent of the cost of the motor
22 vehicle or ~~two thousand five~~ one thousand two hundred fifty dollars, whichever is
23 less, provided the motor vehicle is registered in this state.

24 * * *

25 §6105. Child care provider tax credit

26 A. There shall be a credit against any Louisiana individual or corporation
27 income tax or corporation franchise tax for a child care provider refundable as
28 provided for in R.S. 47:6108. The tax credit shall be an amount based upon the
29 average monthly number of children who either participate in the Child Care

1 Assistance Program administered by the office of children and family services in the
 2 Department of Children and Family Services or who are foster children in the
 3 custody of the Department of Children and Family Services, and who are attending
 4 a child care facility or facilities operated by the child care provider, multiplied by an
 5 amount which shall be based upon the quality rating of each child care facility
 6 operated by the child care provider as follows:

7 Quality Rating of Child Care Facility Tax Credit Per Eligible Child Attending

8	Five star	\$1,500	<u>\$ 750</u>
9	Four star	\$1,250	<u>\$ 625</u>
10	Three star	\$1,000	<u>\$ 500</u>
11	Two star	\$ 750	<u>\$ 375</u>
12	One star or nonparticipating facility		0

13 * * *

14 §6107. Business-supported child care

15 A.(1) There shall be a refundable credit against any Louisiana individual or
 16 corporation income tax or corporation franchise tax for the eligible business child
 17 care expenses supported by a business. The credit shall be the following percentages
 18 of such eligible business child care expenses depending upon the quality rating of the
 19 child care facility to which the expenses are related or the quality rating of the child
 20 care facility the child attends:

21	Quality Rating of Child Care Facility	Percentage of eligible business
22		child care expenses
23	Five star	20% <u>10%</u>
24	Four star	15% <u>7.5%</u>
25	Three star	10% <u>5%</u>
26	Two star	5% <u>2.5%</u>
27	One star or nonparticipating facility	0

28 (2) There shall be an additional refundable credit against any Louisiana
 29 individual or corporation income tax or corporation franchise tax for the payment by

1 a business of fees and grants to child care resource and referral agencies not to
2 exceed ~~five~~ two thousand five hundred dollars per tax year.

3 * * *

4 §6301. Credit; donations to school tuition organizations

5 A.(1) For donations made on or after January 1, 2018, there shall be allowed
6 a nonrefundable income tax credit for donations a taxpayer makes during a taxable
7 year to a school tuition organization that provides scholarships to qualified students
8 to attend a qualified school. In order to qualify for the credit, the donation shall be
9 made by a taxpayer who is required to file a Louisiana income tax return. The
10 amount of the credit shall be equal to fifty percent of the actual amount of the
11 taxpayer's donation used by a school tuition organization to fund a scholarship to a
12 qualified student, which shall not include administrative costs.

13 * * *

14 Section 2. R.S. 51:1787(A)(1)(b) and (2)(a) and (b) and (G), 1807(A), 1924(B)(1),
15 (2), and (3)(a) and (b) and (D)(1), 2354(C), 2399.3(A)(2)(c), and 3085(B)(1)(a) are hereby
16 amended and reenacted to read as follows:

17 §1787. Enterprise zone incentives

18 A. The board, after consultation with the secretaries of the Department of
19 Economic Development and Department of Revenue, and with the approval of the
20 governor, may enter into contracts not to exceed five years to provide:

21 (1) For either:

22 * * *

23 (b) A refundable investment income tax credit equal to ~~one and one-half~~
24 seventy-five hundredths of one percent of the amount of qualified expenditures. For
25 purposes of this Paragraph, the term "qualified expenditures" shall mean amounts
26 classified as capital expenditures for federal income tax purposes plus exclusions
27 from capitalization provided for in Internal Revenue Code Section 263(a)(1)(A)
28 through (L), minus the capitalized cost of land, capitalized leases of land, capitalized
29 interest, capitalized costs of manufacturing machinery and equipment to the extent

1 the capitalized manufacturing machinery and equipment costs are excluded from
 2 sales and use tax pursuant to R.S. 47:301(3), and the capitalized cost for the purchase
 3 of an existing building. When a taxpayer purchases an existing building and capital
 4 expenditures are used to rehabilitate the building, the costs of the rehabilitation only
 5 shall be considered qualified expenditures. Additionally, a taxpayer shall be allowed
 6 to increase their qualified expenditures to the extent a taxpayer's capitalized basis is
 7 properly reduced by claiming a federal credit. A taxpayer earns the investment tax
 8 credit in the year in which the project is placed in service, but the taxpayer may not
 9 claim the investment tax credit until the Department of Economic Development signs
 10 the project completion report or such other time as provided for by rule or regulation.
 11 The project completion report for the refundable investment tax credit shall adhere
 12 to the same requirements found in Subparagraph (a) for the sales and use tax rebate.

* * *

14 (2)(a) Except as provided in Subparagraph (b) of this Paragraph, for a ~~two~~
 15 ~~thousand five hundred~~ one thousand two hundred fifty dollar tax credit per net new
 16 employee as determined by the company's average annual employment reported
 17 under the Louisiana Employment Security Law during the taxable year for which
 18 credit is claimed. For projects for which the advance notification form is filed on or
 19 after April 1, 2016, the amount of the credit provided for in this Subparagraph shall
 20 be ~~one thousand~~ five hundred dollars per net new employee, unless either the net
 21 new employee for which the credit is claimed was receiving Supplemental Nutrition
 22 Assistance Program (SNAP), Women, Infants, and Children (WIC), Medicaid,
 23 unemployment benefits, or any other benefits from a similar public assistance
 24 program, as provided for in rule by the Department of Economic Development,
 25 during the six-month period prior to employment or the net new employee is hired
 26 by a participating business located in an enterprise zone. The amount of the credit
 27 for each net new employee meeting these qualifications shall be ~~three thousand five~~
 28 ~~hundred~~ one thousand seven hundred fifty dollars. This tax credit may be applied
 29 to any state income tax liability or any state corporate franchise tax liability, but not

1 liabilities for penalty or interest, due or outstanding at the time the credit is
 2 generated. However, credits may be applied to a due or outstanding tax liability
 3 attributable to tax years prior to the year in which the credit is generated only if the
 4 tax liability is the result of an assessment, administrative, or judicial proceeding by
 5 the Department of Revenue after an audit, provided that no further interest or penalty
 6 shall be accrued on such tax liability after the credit is generated. If the entire credit
 7 cannot be used in the year claimed, the remainder may be applied against the income
 8 tax or corporate franchise tax for the succeeding ten taxable years or until the entire
 9 credit is used, whichever occurs first. These credits shall also apply to those tax
 10 liabilities, but not liabilities for penalty or interest, identified in tax years where
 11 existing contracts generate the credit.

12 (b) In lieu of the tax credit provided in Subparagraph (a) of this Paragraph,
 13 for aviation or aerospace industries as defined in North American Industry
 14 Classification System (NAICS) Code 336411, 336412, 336413, and 332912, for a
 15 ~~five thousand~~ two thousand five hundred dollar tax credit for each new job created.
 16 This tax credit may be applied to any state income tax liability or any state franchise
 17 tax liability within a ten-year period from the date that the contract becomes effective
 18 or until the entire credit is used, whichever occurs first.

19 * * *

20 G. The board, after consultation with the secretaries of the Department of
 21 Economic Development and the Department of Revenue, and with the approval of
 22 the governor, may enter into agreements with employers located in either urban or
 23 rural enterprise zones or in economic development zones under which employers
 24 may receive a two-year tax credit for a total of ~~two thousand five hundred~~ one
 25 thousand two hundred fifty dollars for each FITAP participant who is employed full
 26 time for a period of not less than two years for compensation which will disqualify
 27 such person from continued participation in the FITAP program. This tax credit may
 28 be applied to any state income tax liability or any state franchise tax liability and
 29 shall be used for the taxable year in which the increase in average annual

1 employment occurred. However, an employee shall be limited to two years
2 participation under the program. No employer shall obtain a credit for more than ten
3 employees in the first year of participation in the program authorized by this Section.
4 Employers shall be eligible for tax credits under the program for ten years.

5 * * *

6 §1807. Incentives

7 A. The board, after consultation with the secretaries of the Department of
8 Economic Development and Department of Revenue, and with the approval of the
9 governor, may enter into contracts to provide:

10 (1) For the exemption from ~~all or a portion~~ no more than fifty percent of
11 income taxes levied by the state of Louisiana for a period of five years, renewable
12 once for a period of five years.

13 (2) For the exemption of ~~all or a portion~~ from no more than fifty percent of
14 corporate franchise taxes levied by the state of Louisiana for a period of five years,
15 renewable once for a period of five years.

16 * * *

17 §1924. Income tax credit or premium tax reduction

18 * * *

19 B.(1) The income tax credit shall be calculated by the commissioner as
20 ~~thirty-five~~ seventeen and one-half of one percent of the person's cash investment in
21 the certified capital of a certified Louisiana capital company.

22 (2) The total income tax credits granted in any calendar year shall not result
23 in an additional reduction of total income tax revenues of greater than ~~two~~ one
24 million dollars.

25 (3) During any calendar year in which this Subsection will limit the amount
26 of certified capital for which income tax credits are allowed, certified capital for
27 which income tax credits are allowed will be allocated among certified Louisiana
28 capital company groups. Requests for allocation shall be prepared for filing not later
29 than December first on a form prescribed by the commissioner, which form shall

1 include an affidavit by the person pursuant to which such person shall become
2 legally bound and irrevocably committed to make an investment of certified capital
3 in a certified Louisiana capital company subject only to receipt of an allocation
4 pursuant to this Subsection. Any requests for allocation filed with the commissioner
5 before December first of any calendar year shall be deemed to have been filed on
6 December first of such year. Requests for allocation shall be allocated as follows:

7 (a) When aggregate requests for allocation by certified Louisiana capital
8 company groups do not exceed ~~five million seven hundred fourteen thousand two~~
9 ~~hundred eighty-five~~ two million eight hundred fifty-seven thousand one hundred
10 forty-three dollars, all requests for allocations shall be approved by the
11 commissioner.

12 (b) When aggregate requests for allocation exceed ~~five million seven~~
13 ~~hundred fourteen thousand two hundred eighty-five~~ two million eight hundred fifty-
14 seven thousand one hundred forty-three dollars, each certified Louisiana capital
15 company group shall be entitled to receive an allocation to be calculated by dividing
16 ~~five million seven hundred fourteen thousand two hundred eighty-five~~ two million
17 eight hundred fifty-seven thousand one hundred forty-three dollars by the number
18 of certified Louisiana capital company groups requesting allocations. In the event
19 that this allocation results in one or more certified Louisiana capital groups receiving
20 an allocation in excess of the amount which was requested, such excess shall be
21 reallocated to the remaining certified Louisiana capital groups on an equal basis until
22 the entirety of the allocation has been fully distributed.

23 * * *

24 D.(1) The total insurance premium tax credits granted pursuant to R.S.
25 22:832(E) in any calendar year shall not result in an additional reduction of total
26 premium tax revenues of greater than ~~five million~~ two million five hundred thousand
27 dollars per year.

28 * * *

1 §2354. Technology commercialization credit; amount; duration; forfeit

2 * * *

3 C. For applications for the technology commercialization credit approved on
4 or after July 1, 2017, the following shall apply:

5 (1) Except as provided in Paragraph (2) of this Subsection, the taxpayer may
6 earn and apply for and, if qualified, be granted a refundable tax credit which may be
7 applied to any income or corporation franchise tax liability owed to the state by the
8 taxpayer seeking to claim the credit, equal in value to ~~twenty-nine~~ fourteen and one-
9 half of one percent of the amount of money invested by the taxpayer applicant in
10 commercialization costs for one business location meeting the requirements of R.S.
11 51:2353(C)(1) and (2) as certified by the Department of Economic Development.

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

20 * * *

21 §2399.3. Modernization tax credit

22 A.

23 * * *

24 (2)

25 * * *

26 (c) For credits approved on and after July 1, 2017, the following shall apply:

27 (i) The credits approved by the department shall be granted at the rate of ~~four~~
28 two percent of the amount of qualified expenditures incurred by the employer for

1 modernization with the credit divided in equal portions for five years, subject to the
2 limitations provided for in other Paragraphs of this Subsection.

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

14 * * *

15 §3085. Tax credit

16 * * *

17 B.(1)(a) The tax credit shall be calculated by the commissioner as ~~fifty-four~~
18 twenty-seven percent of the person's investment for the purposes of earning tax
19 credits.

20 * * *

21 Section 2. R.S. 47:12, 34, 37, 287.748, 287.749, 287.752, 287.755, 6012, 6016,
22 6021, 6025, 6026, 6030, and 6037 are hereby repealed in their entirety.

23 Section 3. The provisions of this Act shall be applicable to taxable periods beginning
24 on or after January 1, 2023.

25 Section 4. This Act shall become effective on January 1, 2023.

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)]

HB 454 Original

2021 Regular Session

DeVillier

Abstract: Reduces the amount of certain income tax credits, deductions, exemptions, and exclusions by 50%.

Present law requires that the tax to be assessed, levied, collected, and paid on the La. taxable income of every corporation is to be computed at the following rates:

- (1) 4% on the first \$25,000 of La. taxable income.
- (2) 5% on La. taxable income above \$25,000 but not in excess of \$50,000.
- (3) 6% on La. taxable income above \$50,000 but not in excess of \$100,000.
- (4) 7% on La. taxable income above \$100,000 but not in excess of \$200,000.
- (5) 8% on all La. taxable income in excess of \$200,000.

Present law includes various tax incentives in the form of credits, deductions, exemptions, and exclusions which reduce a taxpayer's overall tax liability.

Proposed law retains present law but reduces the amount of the following tax credits, deductions, exemptions, and exclusions established in present law by 50%:

- (1) Exclusion for corporations operating a public transportation system. (R.S. 47:51)
- (2) Deduction for depletion for oil and gas wells. (R.S. 47:158(C))
- (3) Deduction for depletion for coal and metal mines and sulphur. (R.S. 47:158(D))
- (4) Credit for insurance companies to offset premium taxes paid. (R.S. 47:227)
- (5) Deduction from net income from La. sources. (R.S. 47:246(A))
- (6) Exclusion for funds accrued by corporations operating a public transportation system. (R.S. 47:287.71(B)(2))
- (7) Exclusion for refunds of La. corporation income tax received during a taxable year. (R.S. 47:287.71(B)(3))
- (8) Exclusion for amounts received as dividend income from banking corporations whose stock is subject to ad valorem tax. (R.S. 47:287.71(B)(6)(a))
- (9) Exclusion for amounts received as dividend income by a member of a regulated group of entities. (R.S. 47:287.71(B)(6)(b))
- (10) Deduction for certain expenses that would otherwise be deductible under federal law but for an exception under federal law for a state licensee dispensing therapeutic marijuana. (R.S. 47:287.73(C)(1))

- (11) Deduction for certain disallowed expenses that would otherwise be deductible under federal law relative to expenses for which credits are allowed. (R.S. 47:287.73(C)(4))
- (12) Deduction for net operating losses. (R.S. 47:287.86(A))
- (13) Credit for refunds by utilities. (R.S. 47:287.664)
- (14) Deduction for interest and dividends. (R.S. 47:287.738(F))
- (15) Deduction for cost depletion for oil and gas wells. (R.S. 47:287.745(B))
- (16) Credit for neighborhood assistance, job training and education. (R.S. 47:287.753(C))
- (17) Credit for development of an employee bone marrow donation program. (R.S. 47:287.758(B))
- (18) Credit for contractors offering health insurance coverage to employees when letting public work contracts. (R.S. 47:287.759(A) and (C)(3))
- (19) Deduction for employing qualified disabled individuals. (R.S. 47:297.13)
- (20) Credit for qualified new recycling manufacturing or process equipment and service contracts. (R.S. 47:6005(C)(1) and (D)(1))
- (21) Credit for ad valorem taxes paid on inventory. (R.S. 47:6006(D)(5))
- (22) Credit for ad valorem taxes paid for vessels on Outer Continental Shelf Act Waters. (R.S. 47:6006.1(C)(3))
- (23) Credit for motion picture productions. (R.S. 47:6007(J)(1)(b), (2)(a), and (3)(a))
- (24) Credit for donations to assist playgrounds in economically depressed areas. (R.S. 47:6008(A))
- (25) Credit for donations of immovable property made to public schools. (R.S. 47:6013(A)).
- (26) Credit for ad valorem taxes paid by telephone companies. (R.S. 47:6014(A))
- (27) Credit for research and development expenses and grants awarded by the federal Small Business Technology Transfer Program or a Small Business Innovation Research Grant. (R.S. 47:6015(C)(2) and (D)(1))
- (28) Credit pursuant to the La. New Markets Jobs Act. (R.S. 47:6016.1(B)(1)(b) and (E)(5)(b))
- (29) Credit for expenses paid by economic development corporations. (R.S. 47:6017(A))
- (30) Credit for purchases of specialty apparel items from businesses which utilize inmate labor. (R.S. 47:6018(C))
- (31) Credit for expenses associated with the rehabilitation of historic structures located in downtown development or cultural districts. (R.S. 47:6019(A)(1)(a), (c), and (e))
- (32) Credit issued pursuant to the Angel Investor Tax Credit Program. (R.S. 47:6020(D)(1) and (2)(a))
- (33) Credit for digital interactive media and software productions. (R.S. 47:6022(D)(4))

- (34) Credit for sound recording investors. (R.S. 47:6023(C)(1)(c), (d), and (e) and (3)(intro. para.))
- (35) Credit for milk producers. (R.S. 47:6032(C) and (F))
- (36) Credit for conversion of vehicles to alternative fuel usage. (R.S. 47:6035(C)1) and (D))
- (37) Credit for School Readiness Program child care providers. (R.S. 47:6105(A))
- (38) Credit for School Readiness Program business-supported child care expenses. (R.S.47:6107(A))
- (39) Credit for donations to school tuition organizations. (R.S. 47:6301(A)(1))
- (40) Credits for enterprise zone incentives. (R.S. 51:1787(A)(1)(b) and (2)(a) and (b) and (G))
- (41) Credits pursuant to the Urban Revitalization Program. (R.S. 51:1807(A))
- (42) Credit pursuant to the La. Capital Companies Tax Credit Program. (R.S. 51:1924(B)(1), (2), and (3)(a) and (b) and (D)(1) and (2))
- (43) Credit for technology commercialization costs. (R.S. 51:2354(C))
- (44) Credits pursuant to the Retention and Modernization Act. (R.S. 51:2399.3(A)(2)(c))
- (45) Credits pursuant to the La. Community Development Financial Institution Act. (R.S. 51:3085(B)(1)(a))

Proposed law repeals the following terminated or inapplicable credits:

- (1) Credit for low-income housing. (R.S. 47:12)
- (2) Credit for the generation of new full-time and part-time jobs in La. (R.S. 47:34 and 287.749)
- (3) Credit for contributions to educational institutions. (R.S. 47:37 and 287.755)
- (4) Credit for employment of re-entrants convicted of a felony. (R.S. 47:287.748)
- (5) Credit for employment of first-time nonviolent offenders. (R.S. 47: 287.752)
- (6) Credit for the donation of materials and equipment to public training providers and other educational schools and programs. (R.S. 47:6012)
- (7) Credit issued for qualified equity investments in disadvantaged areas of the state pursuant to the New Markets Tax Credit Program. (R.S. 47:6016)
- (8) Credit to encourage the cleanup, redevelopment, and productive reuse of brownfields sites in La. (R.S. 47:6021)
- (9) Credit for the La. Citizens Property Insurance Corp. assessment. (R.S. 47:6025)
- (10) Credit for heritage-based cottage industries located in the Cane River Heritage Area Development Zone. (R.S. 47:6026)

- (11) Credit for the purchase and installation of a solar energy system or for the lease of a system. (R.S. 47:6030)
- (12) Credit for energy efficiency and renewable energy industries. (R.S. 47:6037)

Applicable to taxable periods beginning on or after Jan. 1, 2023.

Effective Jan. 1, 2023.

(Amends R.S. 47:51, 158(C) and (D), 227, 246(A), 287.71(B)(2), (3), (4), and (6)(a) and (b)(intro. para.), 287.73(C)(1) and (4), 287.86(A), 287.664, 287.738(F) and (G), 287.745(B), 287.753(C), 287.758(B), 287.759(A) and (C)(3), 297.13(B), 6005(C)(1) and (D), 6006(D)(5), 6006.1(E)(3), 6007(J)(1)(b), (2)(a), and 3(a), 6008(A), 6013(A), 6014(A), 6015(C)(2) and (D)(1), 6016.1(B)(1)(b) and (E)(5)(b), 6017(A), 6018(C), 6019(A)(1)(a), (c), and (e), 6020(D)(1) and (2)(a), 6022(D)(4), 6023(C)(1)(c), (d), and (e) and (3)(intro. para.), 6032(C) and (F), 6034(C)(1)(a)(iii)(cc), (c)(ii), and (d)(iii) and (4)(a) and (b), 6035(C)(1) and (D), 6105(A), 6107(A), and 6301(A)(1) and R.S. 51:1787(A)(1)(b) and (2)(a) and (b) and (G), 1807(A), 1924(B)(1), (2), and (3)(a) and (b) and (D)(1), 2354(C), 2399.3(A)(2)(c), and 3085(B)(1)(a); Repeals R.S. 47:12, 34, 37, 287.748, 287.749, 287.752, 287.755, 6012, 6016, 6021, 6025, 6026, 6030, and 6037)