
DIGEST

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HB 563 Original

2015 Regular Session

Thierry

Abstract: Reduces the amount of certain income tax credits by 20%.

Present law (R.S. 47:6006) provides for an income or corporation franchise tax credit for ad valorem taxes paid to political subdivisions on inventory held by manufacturers, distributors, and retailers and on natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities. The amount of the credit is equal to 100% of the inventory taxes paid to the political subdivision.

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

Present law (R.S. 47:6006.1) provides for an income or corporation franchise tax credit for ad valorem taxes paid without protest to political subdivisions on vessels in Outer Continental Shelf Lands Act Waters. The amount of the credit is equal to 100% of the ad valorem taxes paid to the political subdivision.

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

Present law (R.S. 47:6030) provides for an income tax credit for the cost of purchase and installation of a wind or solar energy system, or both, by a taxpayer at his La. residence, by the owner of a residential rental apartment project, or by a taxpayer who purchases and installs a system in a residence or a residential rental apartment project located in La. Present law limits one credit per system. The amount of the credit is equal to 50% of the first \$25,000 of the cost of each wind energy system or solar energy system, including installation costs, purchased and installed on or after Jan. 1, 2008.

Proposed law retains present law but reduces the amount of the credit from 50% of the first \$25,000 of the cost to 40%.

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 Jan. 1, 2018, a base investment credit may be earned for expenditures made in the state on or before Jan. 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 but reduces the per project cap from \$10 million to \$8 million and the program cap from \$60 million to \$48 million. Further reduces the credit amount for investors as follows:

- (1) From 10% to 8% 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 16% 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 20% 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 40%.

Effective July 1, 2015.

(Amends R.S. 47:6006(D)(5), 6006.1(E)(3), 6030(B)(1) and (2)(a), 6034(C)(1)(a)(ii)(bb), (C)(1)(a)(iii), and (C)(1)(c) and (d), and 6035(C)(1); Adds R.S. 47:6006(D)(6) and 6006.1(E)(4))