
DIGEST

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HB 98 Original

2016 First Extraordinary Session

Jay Morris

Abstract: Amends Act 125 of the 2015 R.S., adds certain Enterprise Zone tax credits, and limits the amount by which the aggregate amount of corporate income tax credits and corporation franchise tax credits may reduce corporate income tax and corporation franchise tax liability.

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 Miscellaneous income tax credits for individuals

- (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

Proposed law retains present law and adds the investment income tax credit and net new job tax credit authorized under the Enterprise Zone Program (R.S. 51:1787).

Proposed law limits the amount by which corporate income tax liability and corporation franchise tax liability may be reduced after application of corporate income tax credits and corporation franchise tax credits. Prohibits the aggregate amount of tax credits from reducing corporate income tax liability or corporation franchise tax liability to below 25% of the original tax liability before application of the tax credits.

Proposed law repeals the three-year sunset on the 28% reductions to tax credits in Act No. 125 of the 2015 R.S., making the reductions permanent.

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

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(G)(2), (H)(1), (I)(2), (J)(4), (K)(2)(a), (L)(3) and (N), 6004(A)(2), 6005(D)(1), 6008(A), 6009(D)(1), 6013(A), 6017(A), 6018(C), 6020(D)(2)(a), 6022(D)(3), 6023(C)(1), 6026(D)(2) and (3), 6032(F), 6034(C)(1)(a)(ii)(bb) and (iii), (c), and (d), 6035(C)(1) and (D), 6036(C)(1)(a)(intro. para.) and (I)(2)(a)(i), and 6037(B)(1) and (2), and R.S. 51:1787(A)(1)(b) and (2)(a) and (b), 1807(C), 2354(B), 2399.3(A)(2)(b), and 3085(B)(1)(a); Adds R.S. 47:1675(A)(7); Repeals §§4, 5, and 6 of Act No. 125 of 2015 R.S.)