AN ACT

To amend and reenact R.S. 47:6015(C)(2), (D), (E)(1), and (J), relative to the research and development tax credit program; to provide for definitions; to provide for credit rates; to provide for transferability of credits; to extend the termination of the credit; to provide for applicability; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1.  R.S. 47:6015(C)(2), (D), (E)(1), and (J) are hereby amended and reenacted to read as follows:

§6015.  Research and development tax credit

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C.

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

(a) Eight Five percent of the difference, if any, of the Louisiana qualified research expenses for the taxable year minus the base amount, if the taxpayer is an entity that employs one hundred or more persons.

(b) Twenty Ten percent of the difference, if any, of the Louisiana qualified research expenses for the taxable year minus the base amount, if the taxpayer is an entity that employs fifty to ninety-nine persons.
(c) Forty thirty percent of the difference, if any, of the Louisiana qualified research expenses for the taxable year minus the base amount, if the taxpayer is an entity that employs less than fifty persons.

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

(2) In addition to the credit utilization allowed by Paragraph (C)(3) of this Section, research and development tax credits for tax years 2018 and later that are based on participation in the Small Business Technology Transfer Program or the Small Business Innovation Research Grant program and that were not previously claimed by any taxpayer against his income or corporation franchise tax may be transferred or sold to another Louisiana taxpayer, subject to the following conditions:

(a) A single transfer or sale may involve one or more transferees. A transferee of the tax credits may transfer or sell such tax credits subject to the conditions of this Paragraph.

(b) Transferors and transferees shall submit to the Department of Revenue in writing, a notification of any transfer or sale of tax credits within ten business days after the transfer or sale of such tax credits. No transfer or sale of tax credits shall be effective until recorded in the tax credit registry in accordance with R.S. 47:1524. The notification shall include the transferor's tax credit balance prior to transfer, a copy of any tax credit certification letter issued by the Department of Economic Development, the transferor's remaining tax credit balance after transfer, all tax identification numbers for both transferor and transferee, the date of the transfer, the
amount transferred, a copy of the credit certificate, the price paid by the transferee
to the transferor, and any other information required by the Department of Revenue.
The notification submitted to the Department of Revenue shall include a transfer
processing fee of two hundred dollars per transferee.

(c) Failure to comply with this Paragraph shall result in the disallowance of
the tax credit until the taxpayers are in full compliance.

(d) The transfer or sale of this credit does not extend the time in which the
credit can be used. The carryforward period for a credit that is transferred or sold
begins on the date on which the credit was earned.

E. As used in this Section, the following terms shall have the meaning
hereafter ascribed to them, unless the context clearly indicates otherwise:

(1) "Base amount" shall mean seventy the following:

(a) If the taxpayer is an entity that employs fifty or more persons, the base
amount shall be eighty percent of the average annual qualified research expenses
within Louisiana during the three years preceding the taxable years.

(b) If the taxpayer is an entity that employs less than fifty persons, the base
amount shall be fifty percent of the average annual qualified research expenses
within Louisiana during the three years preceding the taxable years.

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J. No credit shall be allowed pursuant to this Section for research
expenditures incurred, Small Business Technology Transfer Program funds received
or Small Business Innovation Research Grant funds received after December 31, 2019 2021.

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Section 2. The provisions of this Act shall apply to tax years beginning on or after
January 1, 2017.

Section 3. This Act shall become effective upon signature by the governor or, if not
signed by the governor, upon expiration of the time for bills to become law without signature
by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

Speaker of the House of Representatives

President of the Senate

Governor of the State of Louisiana

Approved: ____________________

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