HLS 19RS-855 ENGROSSED

2019 Regular Session

HOUSE BILL NO. 480

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BY REPRESENTATIVE DAVIS

TAX CREDITS: Extends the sunset of the research and development tax credit

2 To amend and reenact R.S. 47:6015(J), relative to income and franchise tax credits; to 3 extend the duration of the tax credit; to provide for an effective date; and to provide 4 for related matters. 5 Be it enacted by the Legislature of Louisiana: 6 Section 1. R.S. 47:6015(J) is hereby amended and reenacted to read as follows: 7 §6015. Research and development tax credit 8 9 J. No credit shall be allowed pursuant to this Section for research 10 expenditures incurred, Small Business Technology Transfer Program funds received 11 or Small Business Innovation Research Grant funds received after December 31, 12 2021 December 31, 2025. 13 14 Section 2. This Act shall become effective on January 1, 2020.

AN ACT

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 480 Engrossed

2019 Regular Session

Davis

Abstract: Extends the research and development tax credit program <u>from</u> Dec. 31, 2021 <u>to</u> Dec. 31, 2025.

<u>Present law</u> authorizes an income and corporation franchise tax credit for certain taxpayers who employ 50 or more persons and claim a federal income tax credit for increasing research activities. This tax credit is also available for tax payers who employ fewer than 50 employees if the employer meets certain eligibility requirements.

<u>Present law</u> authorizes the following credits as a percentage of increased research expenses for a taxpayer who employs the following number of employees:

Number of Employees	Tax Credit
100 or more	5%
50-99	10%
fewer than 50	30%

<u>Present law</u> prohibits the payment of credits for research expenditures incurred, Small Business Technology Transfer Program funds received or Small Business Innovation Research Grant funds received after Dec. 31, 2021.

Proposed law extends the sunset of the program from Dec. 31, 2021 to Dec. 31, 2025.

Effective Jan. 1, 2020.

(Amends R.S. 47:6015(J))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by <u>House Committee on Ways and Means</u> to the <u>original</u> bill:

- 1. Extend the duration of the tax credit program from Dec. 31. 2023 to Dec. 31, 2025.
- 2. Delete <u>proposed law</u> provisions to increase the amount of the percentage of the tax credit for a taxpayer who employs fewer than 50 employees.
- 3. Delete <u>proposed law</u> provisions to increase the amount of the Small Business Innovation Research Grant tax credit.
- 4. Delete <u>proposed law</u> authorization to extend the transfer of the tax credit to employers who employ fewer than 50 persons and meet other eligibility requirements.