

ACT No. 454

2021 Regular Session

HOUSE BILL NO. 680

BY REPRESENTATIVES HUGHES, BRASS, GARY CARTER, WILFORD CARTER, CORMIER, DUPLESSIS, GAINES, GREEN, JAMES, JEFFERSON, JENKINS, JONES, JORDAN, LANDRY, LARVADAIN, LYONS, DUSTIN MILLER, MOORE, NEWELL, PHELPS, PIERRE, SELDERS, WHITE, AND WILLARD AND SENATORS BARROW, BOUDREAUX, BOUIE, FIELDS, HARRIS, PETERSON, PRICE, AND SMITH

1 AN ACT

2 To enact R.S. 47:6028 and 6033, relative to tax credits; to provide with respect to the
3 Louisiana Youth Jobs Tax Credit Program; to provide with respect to apprenticeship
4 tax credits; to authorize a procedure for granting apprenticeship tax credits against
5 income and corporation franchise tax to certain employers; to provide relative to the
6 powers and duties of the Department of Revenue; to provide definitions; to provide
7 an effective date; to provide a termination date; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:6028 and 6033 are hereby enacted to read as follows:

10 §6028. Louisiana Youth Jobs Tax Credit Program

11 A. Purpose. It is hereby found that disadvantaged youth in Louisiana are
12 often unemployed or underemployed through no fault of their own. The purpose of
13 this program is to help young people entering the workforce have a successful start
14 by providing them critical workforce skills that will serve them well for their entire
15 careers.

16 B. Definitions. For purposes of this Section:

17 (1) "Department" means the Louisiana Department of Revenue.

18 (2) "Eligible youth" means an individual who:

1 (a) Has attained the age of sixteen but not yet attained the age of twenty-four.

2 (b) Is unemployed prior to being hired by a business that will apply for a
3 credit pursuant to the provisions of this Section.

4 (c) Will be working in a full-time or part-time position that pays wages that
5 are equivalent to the wages paid for similar jobs, with adjustments for experience and
6 training.

7 (d) Meets at least one of the following criteria:

8 (i) Is at least eighteen years old, is no longer in school, and does not have a
9 high school diploma, HiSET or GED credential, or high school equivalency diploma.

10 (ii) Is a member of a family that is receiving assistance from the Family
11 Independence Temporary Assistance Program.

12 (iii) Is a member of a family that is receiving benefits through the
13 Supplemental Nutrition Assistance Program.

14 (iv) Is a member of a family that is receiving assistance from the Kinship
15 Care Subsidy Program.

16 (v) Is a member of a family that is receiving assistance or benefits under the
17 Temporary Assistance for Needy Families Program.

18 (vi) Has served time in jail or prison or is on probation or parole.

19 (vii) Is pregnant or is a parent.

20 (viii) Is homeless.

21 (ix) Is currently or was in foster care, extended foster care, or the custody of
22 the Department of Children and Family Services.

23 (x) Is a veteran.

24 (xi) Is the child of a parent who is currently incarcerated or was released
25 from incarceration within the past two years.

26 (xii) Lives in public housing or receives housing assistance such as a Section
27 8 voucher.

1 (3) "Full-time position" means a position in which a person works at least
2 thirty-two hours per week.

3 (4) "Part-time position" means a position in which a person works at least
4 twenty hours per week but less than thirty-two hours per week.

5 (5) "Secretary" means the secretary of the Louisiana Department of Revenue.

6 C. Administration of the credit. There shall be allowed a non-refundable tax
7 credit against income and corporation franchise taxes for a business that hires one
8 or more eligible youth on or after July 1, 2021. Notwithstanding any provision of
9 this Section to the contrary, no credit shall be granted unless the eligible youth works
10 at least three consecutive months in a full-time or part-time position at the business.

11 (1) The credit shall be equal to the following for each eligible youth hired:

12 (a) One thousand two hundred fifty dollars for hiring an eligible youth in a
13 full-time position.

14 (b) Seven hundred fifty dollars for hiring an eligible youth in a part-time
15 position.

16 (2) The hiring business shall earn a credit equal to the applicable amount
17 provided in Paragraph (1) of this Subsection in the year in which the eligible youth
18 completes the third consecutive month of work in either a full-time or part-time
19 position.

20 (3) The hiring business shall not terminate an employee or otherwise reduce
21 its workforce with the intention of creating a new hire eligible for this credit.

22 (4) The total amount of tax credits granted by the department in any calendar
23 year shall not exceed five million dollars. The department shall by rule establish the
24 method of allocating available tax credits to investors including but not limited to a
25 first-come, first-served system; reservation of tax credits for a specific time; or other
26 method that the department, in its discretion, may find beneficial to the program.

27 (5) Within sixty days of being hired, each eligible youth shall provide to the
28 hiring business proof of age and of meeting one of the eligibility criteria established
29 in Subparagraph (B)(2)(d) of this Section.

1 (6) The hiring business shall submit or maintain proof that each eligible
2 youth meets eligibility criteria, as required by the secretary.

3 D. Application of the Credit. (1)(a) The credit shall be allowed against the
4 income or corporation franchise tax due from a taxpayer for the taxable period in
5 which the credit is earned. If the tax credit allowed pursuant to this Section exceeds
6 the amount of such taxes due from a taxpayer, then the taxpayer may carry forward
7 any unused portion as a credit against subsequent tax liability for a period not to
8 exceed five years. However, in no event shall the amount of the tax credit applied by
9 a taxpayer in a taxable period exceed the amount of such taxes due from the taxpayer
10 for that taxable period.

11 (b) All entities taxed as corporations for Louisiana income tax purposes shall
12 claim any credit on their corporation income and franchise tax return.

13 (c) Individuals, estates, and trusts shall claim their share of any credit on
14 their income tax return.

15 (d) Entities not taxed as corporations shall claim their share of any credit on
16 the returns of the partners or members as follows:

17 (i) Corporate partners or members shall claim their share of any credit on
18 their corporation income tax returns.

19 (ii) Individual partners or members shall claim their share of any credit on
20 their individual income tax returns.

21 (iii) Partners or members that are estates or trusts shall claim their share of
22 any credit on their fiduciary income tax returns.

23 E. Recovery of credits by the department. Credits previously granted to a
24 taxpayer, but later disallowed, may be recovered by the secretary through any
25 collection remedy authorized by R.S. 47:1561.3.

26 F. The secretary may promulgate rules in accordance with the Administrative
27 Procedure Act to establish the policies and criteria regarding program eligibility and
28 any other matter necessary to carry out the intent and purposes of this Section.

1 G. A taxpayer shall not receive any other incentive for the job creation or
2 hiring of an eligible youth for which the taxpayer has received a tax credit under this
3 Section.

4 H. No credit shall be earned pursuant to the provisions of this Section after
5 December 31, 2025.

6 * * *

7 §6033. Apprenticeship tax credits

8 A. Purpose. The legislature hereby determines that a major impediment to
9 the economy of the state is the lack of an adequate number of people in the
10 workforce with sufficient on the job training to find and keep good paying jobs
11 already present and those that would be here if more of the workforce was of higher
12 skill level or experience. Further, the legislature finds that a tax credit that provides
13 an incentive for businesses to employ apprentices will provide a step toward creating
14 and maintaining such a workforce.

15 B. Definitions.

16 (1) "Department" means the Louisiana Department of Revenue.

17 (2) "Eligible apprentice" means a person who:

18 (a) Has entered into a written apprentice agreement with an employer or an
19 association of employers pursuant to a registered apprenticeship program as provided
20 for in Chapter 4 of Title 23 of the Louisiana Revised Statutes of 1950 (R.S. 23:381
21 et seq.); or

22 (b) Is enrolled in a training program accredited by the National Center for
23 Construction Education and Research which has no less than four levels of training
24 and no less than five hundred hours of instruction.

25 C. Administration of the Credit. For taxable periods beginning after
26 December 31, 2021, there shall be allowed a non-refundable tax credit against
27 Louisiana income tax or corporation franchise tax for the employment of eligible
28 apprentices as provided for in this Section.

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

1 (1) For each eligible apprentice employed for a minimum of two hundred
2 fifty hours during the taxable period, an employer shall be eligible for a credit equal
3 to one dollar and twenty-five cents per hour of employment for a maximum credit
4 of one thousand two hundred fifty dollars per eligible apprentice.

5 (2) The total amount of tax credits granted by the department in any calendar
6 year shall not exceed two million five hundred thousand dollars. The department
7 shall establish the method of allocating available tax credits to employers including
8 but not limited to a first-come, first-served system, reservation of tax credits for a
9 specific time, or other method that the department, in its discretion, may find
10 beneficial to the program by rule. If the department does not grant the entire two
11 million five hundred thousand dollars in tax credits in any calendar year, the amount
12 of residual unused tax credits shall carry forward to subsequent calendar years and
13 may be granted in any year without regard to the two million five hundred thousand
14 dollar per year limitation.

15 (3) The department, in consultation with the Louisiana Workforce
16 Commission, shall establish by regulation the procedures sufficient to determine the
17 employer's eligibility for the credit.

18 (4) The Louisiana Workforce Commission shall provide an annual list of
19 businesses that participate in the apprenticeship programs administered by the
20 agency to the department.

21 (5) The department shall determine the enrollment and transcript data
22 required from the National Center for Construction Education and Research for
23 students enrolled in one of its accredited training programs that is sufficient for the
24 department to determine the employer's eligibility for the credit authorized by this
25 Section. However, in order for an employer to be eligible for a credit, a student
26 enrolled in a training program accredited by the National Center for Construction
27 Education and Research must have successfully completed no less than two levels
28 of training and no less than two hundred fifty hours of instruction.

1 D. Application of the Credit.

2 (1) The credit shall be allowed against the income or franchise tax due from
 3 a taxpayer for the taxable period in which the credit is earned. If the tax credit
 4 allowed pursuant to this Section exceeds the amount of such taxes due from a
 5 taxpayer, then the taxpayer as a credit may carry any unused credit forward to be
 6 applied against subsequent tax liability for a period not to exceed five years.
 7 However, in no event shall the amount of the tax credit applied by a taxpayer in a
 8 taxable period exceed the amount of such taxes due from the taxpayer for that
 9 taxable period.

10 (2) All entities taxed as corporations for Louisiana income tax purposes shall
 11 claim any credit on their corporation income and franchise tax return.

12 (3) Individuals, estates, and trusts shall claim any credit on their income tax
 13 return.

14 (4) Entities not taxed as corporations shall claim their share of any credit on
 15 the returns of the partners or members as follows:

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 17 their corporation income tax returns.

18 (b) Individual partners or members shall claim their share of any credit on
 19 their individual income tax returns.

20 (c) Partners or members that are estates or trusts shall claim their share of
 21 any credit on their fiduciary income tax returns.

22 E. Recovery of credits by Department of Revenue. Credits previously
 23 granted to a taxpayer, but later disallowed, may be recovered by the secretary of the
 24 Department of Revenue through any collection remedy authorized by R.S.
 25 47:1561.3.

26 F. The department may promulgate rules in accordance with the
 27 Administrative Procedure Act to establish the policies and criteria regarding program
 28 eligibility and any other matter necessary to carry out the intent and purposes of this
 29 Section.

1 G. No credit shall be granted for the employment of eligible apprentices
2 before January 1, 2022, or after December 31, 2028.

3 Section 2. This Act shall become effective upon signature by the governor or, if not
4 signed by the governor, upon expiration of the time for bills to become law without signature
5 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
6 vetoed by the governor and subsequently approved by the legislature, this Act shall become
7 effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____