

Regular Session, 2013  
HOUSE BILL NO. 698

# ACT No. 406

BY REPRESENTATIVE THOMPSON

1 AN ACT

2 To amend and reenact R.S. 47:6102, 6103(A)(1) and (2), and 6109(A) and to enact R.S.  
3 47:6103(C), relative to income tax credits; to provide relative to school readiness tax  
4 credits; to provide for certain definitions; to provide for the administration and  
5 recapture of such credits; to require certain recommendations; to provide for  
6 effectiveness; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:6102, 6103(A)(1) and (2), and 6109(A) are hereby amended and  
9 reenacted and R.S. 47:6103(C) is hereby enacted to read as follows:

10 §6102. Definitions

11 For purposes of this Chapter, the following terms shall have the following  
12 definitions:

13 (1) "Child" or "children" means people who are five years of age or less.

14 (2) "Child care facility" means any entity ~~which~~ that the ~~Department of~~  
15 ~~Children and Family Services~~ state administrator of the Child Care Development  
16 Fund determines is eligible to participate in the quality rating system according to  
17 criteria set forth by rule adopted in the manner provided for in R.S. 47:6103, has  
18 applied to the Department of Children and Family Services for evaluation under such  
19 system, and is participating in the system.

20 (3) "Child care provider" means a taxpayer who owns an eligible child care  
21 facility or facilities.

1                   (4) "Child care resource and referral agencies" means those agencies with  
 2                   whom the ~~Department of Children and Family Services~~ department has contracted  
 3                   to provide child care resource and referral.

4                   (5) "Department" shall mean the state agency designated as the lead agency  
 5                   of the Child Care Development Fund and responsible for determining the eligibility  
 6                   for the tax credits associated with the fund.

7                   (6) "Eligible business child care expenses" means the total of the following  
 8                   expenses of a business that supports quality child care as provided for in R.S.  
 9                   47:6107:

10                  (a) For the construction, renovation, expansion, or major repair of an eligible  
 11                  child care facility, or for the purchase of equipment for such facility, or for the  
 12                  maintenance and operation thereof, not to exceed fifty thousand dollars in expenses  
 13                  per tax year.

14                  (b) For payments made to an eligible child care facility for child care  
 15                  services to support employees not to exceed five thousand dollars per child per tax  
 16                  year.

17                  (c) For the purchase of child care slots at eligible child care facilities actually  
 18                  provided or reserved for children of employees not to exceed fifty thousand dollars  
 19                  per tax year.

20                  ~~(6)~~ (7) "Eligible child care director" means an individual as defined in Title  
 21                  48 of the Louisiana Administrative Code, as amended, enrolled in the state  
 22                  practitioner registry developed and maintained by the ~~Department of Children and~~  
 23                  ~~Family Services~~ department, and who is employed in an eligible child care facility  
 24                  which participates in the quality rating system.

25                  ~~(7)~~ (8) "Eligible child care facility" means a child care facility ~~which~~ that has  
 26                  applied to the ~~Department of Children and Family Services~~ department for an  
 27                  evaluation under its quality rating system and is participating in the quality rating  
 28                  system.

1           ~~(8)~~ (9) "Eligible child care staff" means an individual enrolled in the state  
 2 practitioner registry developed and maintained by the ~~Department of Children and~~  
 3 ~~Family Services~~ department and who is employed in an eligible child care facility  
 4 which participates in the quality rating system and who otherwise meets the  
 5 qualifications provided for in Title 48 of the Louisiana Administrative Code, Chapter  
 6 53, as amended.

7           ~~(9)(a)~~ (10)(a) "Quality rating" means the number of "stars" awarded to an  
 8 eligible child care facility by the quality rating system.

9           (b) The quality rating of the facility shall be based on the initial rating of the  
 10 facility if it is the facility's first year participating in the quality rating system.  
 11 Thereafter, the quality rating shall be the rating of the facility as of July first of each  
 12 year.

13           ~~(10)~~ (11) "Quality rating system" means a rule promulgated by the  
 14 ~~Department of Children and Family Services~~ department implementing the Louisiana  
 15 Quality Rating System which establishes criteria for evaluating and rating the quality  
 16 of an eligible child care facility in terms of the award of "stars", with five "stars"  
 17 being the highest quality child care facility.

18           (12) "Tiered Kindergarten Readiness Improvement System" means the  
 19 system established pursuant to R.S. 17:407.23.

20           (13) "The Early Childhood Care and Education Network" means the network  
 21 established pursuant to R.S. 17:407.23.

22           (14) "Eligible early childhood learning centers" means successful early  
 23 childhood learning centers according to rules and regulations promulgated by the  
 24 State Board of Elementary and Secondary Education for the Tiered Kindergarten  
 25 Readiness Improvement System, and that maintain a Type III license.

26 §6103. Implementation

27           A.(1) The ~~Department of Children and Family Services~~ department, in  
 28 consultation with the Department of Revenue, shall promulgate rules and regulations

1 for the purpose of developing and implementing the provisions of this Chapter in  
2 accordance with the provisions of the Administrative Procedure Act.

3 (2) The ~~Department of Children and Family Services~~ department is  
4 authorized to use the emergency rulemaking process for the first set of rules  
5 developing and implementing this Chapter. Prior to adoption of the emergency rule,  
6 the department shall provide written notification that it intends to publish such rule  
7 in the State Register and the rule shall be subject to approval by the Senate  
8 Committee on Revenue and Fiscal Affairs and the House Committee on Ways and  
9 Means. However, if such committees do not take action on the rule within sixty days  
10 of publication in the State Register, the rule shall become effective.

11 \* \* \*

12 C. The department, in collaboration with the State Board of Elementary and  
13 Secondary Education, shall make recommendations for legislation no later than  
14 January 1, 2015, to align the tax credits provided for in this Chapter with the Early  
15 Childhood Care and Education Network, which promotes kindergarten readiness in  
16 eligible early childhood learning centers and which evaluates eligible centers  
17 utilizing the letter grade system adopted through rules promulgated by the State  
18 Board of Elementary and Secondary Education for determining the success of an  
19 eligible center.

20 \* \* \*

21 §6109. Recapture of credits

22 A. If the ~~Department of Children and Family Services or the Department of~~  
23 ~~Revenue~~ find Department of Revenue or the department find that a child care  
24 facility, a business, or an individual has obtained a tax credit in violation of the  
25 provisions of this Chapter, including but not limited to fraud or misrepresentation,  
26 then the taxpayer's state income tax for such taxable period shall be increased by  
27 such amount necessary for the recapture of the tax credit provided for in this  
28 Chapter.

29 \* \* \*

1           Section 2. This Act shall become effective on July 1, 2013; if vetoed by the  
2           governor and subsequently approved by the legislature, this Act shall become effective on  
3           July 1, 2013, or on the day following such approval by the legislature, whichever is later.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_