
DIGEST

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HB 452 Engrossed

2023 Regular Session

Bourriaque

Abstract: Establishes a state tax credit for the development of certain housing projects that qualify for federal affordable housing tax credits.

Proposed law authorizes a nonrefundable credit against income and corporation franchise taxes administered by the Dept. of Revenue, and against insurance premium taxes administered by the Dept. of Insurance, for affordable housing projects which meet the definition of "qualified project" provided in proposed law.

Proposed law defines "qualified project" as a housing project that qualifies for the federal low-income housing tax credit provided for in federal law (Internal Revenue Code (26 U.S.C. 42)).

Proposed law provides that the tax credit authorized therein shall be claimed beginning with the taxable year in which a qualified project is placed in service. Provides that the amount of the credit shall be equal to the aggregate federal credit initially determined pursuant to federal law (26 U.S.C. 42(b)(1)(B)(ii)).

Proposed law provides that in order to qualify for the credit authorized therein, the owner of a qualified project shall submit an application to the La. Housing Corp. Requires the executive director of the La. Housing Corp. to award credits through the process outlined in the corporation's Qualified Allocation Plan.

Proposed law stipulates that before awarding to the owner of a qualified project any credits provided for in proposed law, the executive director of the La. Housing Corp. shall enter into a written agreement with the project owner which encompasses terms and conditions applicable to the credits prescribed by proposed law. Requires the executive director of the La. Housing Corp. to submit notifications to the secretary of the Dept. of Revenue and the commissioner of insurance, within 30 days of the execution of the agreement, certifying the amount of tax credit awarded to a project owner contingent upon the qualified project being placed in service.

Proposed law authorizes the La. Housing Corp. to charge a fee in connection with applications for the tax credits. Authorizes the corporation to establish the amount of the fee by rule and requires that proceeds from the fee be distributed equitably among the corporation, the Dept. of Revenue, and the Dept. of Insurance.

Proposed law limits the total amount of credits to be granted by the La. Housing Corp. in accordance with proposed law to no more than \$5,000,000 in any state fiscal year.

Proposed law provides that if the amount of the credit granted to a taxpayer for a taxable year exceeds the amount of the taxpayer's tax liability for that year, the excess credit amount may be carried forward for a period not to exceed five years.

Proposed law provides for allocation of the credit among partners, shareholders, members, or other constituent taxpayers of partnerships, limited liability companies, S corporations, and similar pass-through entities.

Proposed law authorizes the sale and transfer of credits granted in accordance with proposed law.

Proposed law prohibits granting of any tax credits authorized by proposed law after June 30, 2026. Stipulates that the granting of such credits shall be subject to appropriation by the legislature for this specific purpose.

Proposed law becomes effective July 1, 2023, and applies to taxable years beginning on or after Jan. 1, 2024.

(Adds R.S. 47:6043)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Delete proposed law requiring that the tax credits provided for in proposed law be taken in equal installments each year over a period of six years.
2. Delete proposed law limiting the total amount of tax credits to be awarded by the La. Housing Corp. to no more than \$100,000,000 in any calendar year; provide instead that the total amount of tax credits to be granted by the La. Housing Corp. shall not exceed \$5,000,000 in any state fiscal year and that granting of credits is on a first-come, first served basis.
3. Change the date beyond which no credits provided for in proposed law will be granted from Dec. 31, 2029, to June 30, 2026.
4. Stipulate that the granting of any credits authorized by proposed law shall be subject to appropriation by the legislature for this specific purpose.