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## DIGEST

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HB 547 Original

2015 Regular Session

Woodruff

**Abstract:** Establishes a tax credit for qualified fresh food businesses that sell fresh food products in an area designated as a food desert community.

Proposed law establishes a tax credit program for credits against La. income and corporation franchise taxes for those qualified fresh food businesses that meet the requirements of proposed law with regard to verifiable business activity within a food desert.

Proposed law provides for definitions, including:

- (1) "Fresh food business" means a business entity located in a food desert area that maintains and operates a business of selling fresh food products at wholesale or retail.
- (2) "Food desert" means a low income census tract where at least 500 persons or at least 33% of the census tract's population live more than one mile from a supermarket or large grocery store for a metropolitan census tract, and more than 10 miles from a supermarket or large grocery store for a non-metropolitan census tract.

Proposed law requires that the Department of Economic Development ("department") develop a program to make businesses in a food desert community aware of the tax credit. The program shall include requirements for application for participation in the program, as well as a procedure whereby a business' qualifications for the credit may be verified.

Proposed law provides that a fresh food business shall qualify for a tax credit in any year that on or after Dec. 1<sup>st</sup> and on or before Dec. 31<sup>st</sup> it can provide verifiable records substantiating that all of the following requirements have been met based on calendar year-to-date information at the time of application:

- (1) Total gross sales were less than \$15 million.
- (2) At least 20% of gross sales were derived from the sale of fresh food products.
- (3) At least 15% of inventory was purchased from La. domiciled companies.

Proposed law provides that the amount of the tax credit shall be equal to 1% of the gross sales for the most recently ended tax year, or \$10,000, whichever is less.

Proposed law limits the total aggregate amount of tax credits awarded under proposed law in any calendar year to \$2 million.

Proposed law authorizes rulemaking by the Department of Economic Development in accordance with the Administrative Procedure Act.

Proposed law is effective for taxable periods beginning on or after January 1, 2016.

Effective July 1, 2015.

(Adds R.S. 47:6039)