

2015 Regular Session

HOUSE BILL NO. 433

BY REPRESENTATIVE JACKSON

TAX CREDITS: Prohibits the tax credit for the rehabilitation of historic structures from being carried forward and used against subsequent tax liability or transferred to other taxpayers

1 AN ACT

2 To amend and reenact R.S. 47:6019(A)(3)(a) and (b)(i)(aa), relative to income and
3 corporation franchise tax credits; to provide relative to the tax credit for the
4 rehabilitation of certain structures; to prohibit the carryforward of the tax credit
5 against subsequent tax liability; to prohibit the transferability of the tax credit; to
6 provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:6019(A)(3)(a) and (b)(i)(aa) are hereby amended and reenacted
9 to read as follows:

10 §6019. Tax credit; rehabilitation of historic structures

11 A.

12 * * *

13 (3)(a) The credit shall be allowed against the income tax for the taxable
14 period in which the credit is earned and against the franchise tax for the taxable
15 period following the taxable period in which the credit is earned. For tax periods
16 ending on or prior to June 30, 2015, if ~~if~~ the tax credit allowed pursuant to this
17 Section exceeds the amount of such taxes due, any unused credit may be carried
18 forward as a credit against subsequent tax liability for a period not to exceed five
19 years. This credit may be used in addition to the twenty percent federal tax credit for
20 such purposes.

1 (b)(i)(aa) Persons who are awarded tax credits on or before June 30, 2015,
2 may elect to sell their unused tax credits to one or more individuals or entities. The
3 tax credits may be transferred or sold by a taxpayer or any subsequent transferee an
4 unlimited number of times.

5 * * *

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

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 433 Original

2015 Regular Session

Jackson

Abstract: Prohibits tax credits for the rehabilitation of historic structures earned on or after July 1, 2015, from being carried forward and used against subsequent tax liability or from being sold to other taxpayers.

Present law provides for an income and corporation franchise tax credit for expenses incurred during the rehabilitation of a historic structure located in a downtown development or a cultural product district. The amount of the credit shall not exceed 25% of the eligible costs and expenses of the rehabilitation. Present law prohibits a taxpayer from claiming more than \$5 million of credit annually for structures rehabilitated within a particular downtown development or cultural district.

Present law provides that if the amount of the tax credit exceeds income taxes due, the unused credit may be carried forward as a credit against subsequent tax liability for a period not to exceed five years. Further provides that persons awarded tax credits pursuant to present law may elect to sell their unused tax credits to one or more individuals or entities.

Proposed law changes present law by eliminating the five-year carryforward period for unused tax credits and prohibits credits from being sold to other taxpayers for any credits awarded on or after July 1, 2015.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:6019(A)(3)(a) and (b)(i)(aa))