

2021 Regular Session

HOUSE BILL NO. 445

BY REPRESENTATIVES BOURRIAQUE AND WHITE

TAX CREDITS: Changes the sound recording investor tax credit into a refundable tax credit

1 AN ACT

2 To amend and reenact R.S. 47:6023(C)(4)(b), relative to the sound recording investor tax  
3 credit; to eliminate certain restrictions regarding the reduction of a taxpayer's tax  
4 liability; to authorize the payment of refunds under certain circumstances; to provide  
5 for certain requirements and limitations; to provide for an effective date; and to  
6 provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:6023(C)(4)(b) is hereby amended and reenacted to read as  
9 follows:

10 §6023. Sound recording investor tax credit

11 \* \* \*

12 C. Investor tax credit; state-certified productions.

13 \* \* \*

14 (4)

15 \* \* \*

16 (b) ~~Notwithstanding the amount of the credit earned by the investor pursuant~~  
17 ~~to this Section, application of tax credits earned and claimed against an investor's~~  
18 ~~income tax liability shall never reduce the investor's income tax liability below fifty~~  
19 ~~percent of the amount of the liability prior to application of the credit. Any excess~~  
20 ~~credit may be carried forward for up to five years and shall be applied against the~~  
21 ~~subsequent income tax liability of the taxpayer.~~ If the amount of the credit authorized

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

1 pursuant to the provisions of this Section exceeds the taxpayer's tax liability for the  
2 tax year, the excess credit amount shall be refunded to the taxpayer. The secretary  
3 shall make refunds to the taxpayer in the amount to which he is entitled from the  
4 current collections of the taxes collected pursuant to Chapter 1 of Subtitle II of this  
5 Title.

6 \* \* \*

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

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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)]

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HB 445 Engrossed                      2021 Regular Session                      Bourriaque

**Abstract:** Changes the sound recording investor tax credit from a non-refundable tax credit to a refundable tax credit.

Present law authorizes a state income tax credit for investments made in state-certified productions until July 1, 2026. The tax credit is earned by investors at the time expenditures are certified by the Dept. of Economic Development according to the total base investment certified for the sound recording production company per calendar year. The aggregate amount of credits that can be certified each year is limited to \$2,160,000; however, 50% of the credits certified each year shall be reserved for qualified music companies.

Present law prohibits the application of tax credits earned and claimed against an investor's tax liability from reducing the investor's income tax liability below 50% prior to application of the credit, regardless of the amount of the credit the investor earned. Further authorizes the investor to carry forward unused tax credits for up to five years to be applied against the investor's tax liability in subsequent years.

Proposed law deletes the limitation on the amount of credit that may be used in any taxable year to offset the investor's tax liability *and* converts the tax credit from a credit that requires the carry forward of unused credits for up to five years to a refundable tax credit wherein the amount of the tax credit which exceeds the taxpayer's liability is refunded to the taxpayer. Requires the secretary of the Dept. of Revenue to make refunds from the current income tax collections.

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

(Amends R.S. 47:6023(C)(4)(b))

Summary of Amendments Adopted by House

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

1. Delete requirement that tax credits be paid from current corporate franchise tax collections.