

2025 Regular Session

HOUSE BILL NO.

BY

TAX/CORP FRANCHISE: Repeals the corporation franchise tax and limits eligibility of certain credits to be claimed against corporation franchise tax

1 AN ACT

2 To amend and reenact R.S. 47:287.750(E)(1), 6005(C)(1), 6006(A), (B)(1)(introductory

3 paragraph), (2), and (4), 6006.1(A), (B)(introductory paragraph), (1), (3), and (4),

4 and (C), 6008(A), 6013(A), 6014(A), (B), and (C)(1) and (3) through (5), 6015(B)(1)

5 and (2), (C)(3)(a) and (d)(i), (D)(2)(introductory paragraph), and (K), 6017(A),

6 6018(B), (D)(introductory paragraph), and (E), 6019(A)(1)(a)(i) and (3)(a),

7 (b)(ii)(aa), and (dd)(I), 6020(D)(2)(a), (3)(a) and (d)(i), 6022(E)(1)(a), (b), and

8 (e)(introductory paragraph), 6028(C)(introductory paragraph) and (D)(1) and (2),

9 6032(A) and (D), 6033(C)(introductory paragraph) and (D)(1) and (2),

10 6036(C)(1)(a)(introductory paragraph) and (I)(2)(a)(i) and (b), 6105(A), 6107(A) and

11 (B), and 6108(A), (B)(introductory paragraph), (1), (3), and (4), R.S.

12 51:1787(A)(2)(a) and (b) and (G), and 2399.3(A)(1) and (3)(a) and (d)(i) and to

13 repeal Chapter 5 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950,

14 comprised of R.S. 47:601 through 618, and 3204(H)(1), (I)(1)(a), and (J)(1), and

15 4305(B)(1), relative to income and corporation franchise tax; to repeal the

16 corporation franchise tax; to repeal provisions relative to the application,

17 administration, collection, and payment of the corporation franchise tax; to repeal

18 exemptions to the corporation franchise tax; to provide with respect to tax credits

19 applicable against corporation franchise tax; to provide for applicability; to provide

20 for an effective date; and to provide for related matters.

1 Be it enacted by the Legislature of Louisiana:

2 Section 1. R.S. 47:287.750(E)(1), 6005(C)(1), 6006(A), (B)(1)(introductory  
3 paragraph), (2), and (4), 6006.1(A), (B)(introductory paragraph), (1), (3), and (4), and (C),  
4 6008(A), 6013(A), 6014(A), (B), and (C)(1) and (3) through (5), 6015(B)(1) and (2),  
5 (C)(3)(a) and (d)(i), (D)(2)(introductory paragraph), and (K), 6017(A), 6018(B),  
6 (D)(introductory paragraph), and (E), 6019(A)(1)(a)(i) and (3)(a), (b)(ii)(aa), and (dd)(I),  
7 6020(D)(2)(a), (3)(a) and (d)(i), 6022(E)(1)(a), (b), and (e)(introductory paragraph),  
8 6028(C)(introductory paragraph) and (D)(1) and (2), 6032(A) and (D), 6033(C)(introductory  
9 paragraph) and (D)(1) and (2), 6036(C)(1)(a)(introductory paragraph) and (I)(2)(a)(i) and  
10 (b), 6105(A), 6107(A) and (B), and 6108(A), (B)(introductory paragraph), (1), (3), and (4)  
11 are hereby amended and reenacted to read as follows:

12 §287.750. Louisiana work opportunity tax credit

13 \* \* \*

14 E.(1) The credit shall be allowed against any Louisiana income ~~or franchise~~  
15 tax due from an eligible business for the taxable period in which the credit is earned.

16 \* \* \*

17 §6005. Qualified new recycling manufacturing or process equipment and service  
18 contracts

19 \* \* \*

20 C.(1) A taxpayer who purchases qualified new recycling manufacturing or  
21 process equipment or qualified service contracts, or both, as defined in this Section  
22 and certified by the secretary of the Department of Environmental Quality to be used  
23 or performed exclusively in this state shall be entitled to a credit against any income  
24 ~~and corporation franchise~~ taxes imposed by the state in an amount equal to fourteen  
25 percent of the cost of the new recycling manufacturing or process equipment or  
26 qualified service contract, or both, less the amount of any other tax credits received  
27 for the purchase of such equipment or contract, or both.

28 \* \* \*

29 §6006. Tax credits for local inventory taxes paid



1 be carried forward as a credit against subsequent Louisiana income ~~or corporation~~  
2 ~~franchise~~ tax liability for a period not to exceed ten years and shall not be refundable.

3 \* \* \*

4 §6006.1. Tax credits for taxes paid with respect to vessels in Outer Continental  
5 Shelf Lands Act Waters

6 A. There shall be allowed a credit against any Louisiana income ~~or~~  
7 ~~corporation franchise~~ tax for ad valorem taxes paid to political subdivisions on  
8 vessels in Outer Continental Shelf Lands Act Waters as certified to the assessor  
9 pursuant to R.S. 47:1956(B) within the calendar year immediately preceding the  
10 taxable year of assessment of such vessel. For purposes of this Section, ad valorem  
11 taxes shall be deemed to be paid to political subdivisions when they are paid either  
12 in money or by applying credits established pursuant to R.S. 47:2132.

13 B. Notwithstanding anything to the contrary in ~~either~~ Chapter 1 ~~or Chapter~~  
14 5 of Subtitle II of this Title, as amended, the following rules shall apply with respect  
15 to the application of the credit established in Subsection A of this Section:

16 (1) The credit for taxes paid by or on behalf of a corporation shall be applied  
17 against Louisiana ~~corporate~~ income ~~and corporation franchise~~ taxes of ~~such~~ the  
18 corporation. However, any ~~such~~ credit allowable to any member of an affiliated  
19 group of corporations, as defined in Section 1504 of the Internal Revenue Code of  
20 1954, as amended, shall be applied against Louisiana ~~corporate~~ income ~~and~~  
21 ~~corporation franchise~~ taxes of ~~such~~ the member and any other member of ~~such~~ the  
22 affiliated group of corporations until the entire amount of the credit has been applied  
23 against ~~such~~ Louisiana ~~corporate~~ income taxes ~~or corporation franchise~~ taxes.

24 \* \* \*

25 (3) The credit for taxes paid by or on behalf of a corporation classified under  
26 Subchapter S of the Internal Revenue Code of 1954, as amended, as an S corporation  
27 shall be applied first against any Louisiana ~~corporate~~ corporation income ~~and~~  
28 ~~corporation franchise~~ taxes tax due by ~~such~~ the S corporation, and the remainder of  
29 any ~~such~~ credit shall be allocated to the shareholder or shareholders of ~~such~~ the S

1 corporation in accordance with their respective interests and applied against the  
2 Louisiana income tax of ~~such~~ the shareholder or shareholders of the S corporation.

3 (4) The credit for taxes paid by or on behalf of a partnership shall be  
4 allocated to the partners according to their distributive shares of partnership gross  
5 income and applied against any Louisiana income tax ~~and corporation franchise~~ tax  
6 liability of ~~such~~ the partners.

7 \* \* \*

8 C. Notwithstanding any other provision of law to the contrary in Title 47 of  
9 the Louisiana Revised Statutes of 1950, as amended, any excess of allowable credit  
10 established by this Section over the aggregate tax liabilities against which ~~such~~ the  
11 credit can be applied, as provided in this Section, shall constitute an overpayment,  
12 as defined in R.S. 47:1621(A), and the secretary shall make a refund of ~~such~~ the  
13 overpayment from the current collections of the taxes imposed by Chapter 1 ~~or~~  
14 ~~Chapter 5~~ of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, as  
15 amended, together with interest as provided in R.S. 47:1624. The right to a credit  
16 or refund of any ~~such~~ an overpayment shall not be subject to the requirements of R.S.  
17 47:1621(B). All credits and refunds, together with interest thereon, must be paid or  
18 disallowed within ninety days of receipt by the secretary, of ~~any~~ ~~such~~ the claim for  
19 refund or credit. Failure of the secretary to pay or disallow, in whole or in part, any  
20 claim for a credit or a refund shall entitle the aggrieved taxpayer to proceed with the  
21 remedies provided in R.S. 47:1625.

22 \* \* \*

23 §6008. Tax credits for donations made to assist playgrounds in economically  
24 depressed areas

25 A. There shall be allowed a credit against any Louisiana income ~~or~~  
26 ~~corporation franchise~~ tax for qualified donations made to qualified playgrounds. The  
27 credit shall be an amount equal to the lesser of seven hundred twenty dollars or  
28 thirty-six one hundredths of the value of the cash, equipment, goods, or services  
29 donated. Any ~~such~~ credit shall be taken as a credit against the applicable income tax

1 ~~or taxes only~~ in the taxable period in which the donation is made. The total amount  
2 of the credits taken by any taxpayer during any taxable year shall not exceed one  
3 thousand dollars.

4 \* \* \*

5 §6013. Tax credits for donations made to public schools

6 A. There shall be allowed a credit against the ~~corporate~~ corporation income  
7 tax ~~and the corporation franchise tax~~ for qualified donations made to a public school.  
8 The credit shall be an amount equal to twenty-eight percent of the appraised value  
9 of the qualified donation. Any ~~such~~ credit shall be taken as a credit against the  
10 ~~corporate~~ corporation income ~~or corporation franchise~~ tax for the taxable year in  
11 which the donation is made. The total of all such credits taken in a taxable year shall  
12 not exceed the total tax liability for that taxable year.

13 \* \* \*

14 §6014. Credit for property taxes paid by certain telephone companies; fund

15 A. Pursuant to the provisions of this Section, there shall be allowed a credit  
16 against Louisiana ~~corporation or individual~~ income taxes ~~and Louisiana corporation~~  
17 ~~franchise tax for,~~ and in an amount equal to, forty percent of the aggregate ad  
18 valorem taxes paid to political subdivisions of this state after December 31, 2000, by  
19 a telephone company, as defined in R.S. 47:1851(Q), with respect to such telephone  
20 company's public service properties, as defined in R.S. 47:1851(M), which are  
21 assessed by the Louisiana Tax Commission at twenty-five percent of fair market  
22 value pursuant to R.S. 47:1854.

23 B. The credit allowed under this Section shall be applied against any  
24 Louisiana income ~~or corporation franchise~~ tax shown on a return filed by a person  
25 as defined in R.S. 47:2, entitled to ~~such~~ the credit as determined under Subsection  
26 C of this Section for income ~~or franchise~~ tax years ending on or after December 31,  
27 2001.

1 C. Notwithstanding any provision of law to the contrary, the following  
2 provisions shall apply with respect to the application of the credit established in  
3 Subsection A of this Section:

4 (1) The credit for ad valorem taxes paid by or on behalf of a corporation  
5 shall be applied against Louisiana corporation income ~~and corporation franchise~~  
6 ~~taxes~~ tax of ~~such~~ the corporation. However, any ~~such~~ credit allowable to any  
7 member of an affiliated group of corporations, as defined in Section 1504 of the  
8 Internal Revenue Code of 1986, as amended, shall be applied against Louisiana  
9 corporation income ~~and corporation franchise taxes~~ tax of ~~such~~ the member and any  
10 other member of ~~such~~ the affiliated group of corporations until the entire amount of  
11 the credit has been applied against ~~such~~ Louisiana corporation income taxes ~~or~~  
12 ~~corporation franchise taxes~~.

13 \* \* \*

14 (3) The credit for taxes paid by or on behalf of a corporation classified under  
15 Subchapter S of the Internal Revenue Code of 1986, as amended, as an S corporation  
16 shall be applied first against any Louisiana corporation income ~~and corporation~~  
17 ~~franchise taxes~~ tax due by ~~such~~ the S corporation, and the remainder of any ~~such~~  
18 credit shall be allocated to the shareholder or shareholders of ~~such~~ the S corporation  
19 in accordance with their respective interests and applied against the Louisiana  
20 income tax of ~~such~~ the shareholder or shareholders of the S corporation.

21 (4) The credit for taxes paid by or on behalf of a partnership shall be  
22 allocated to the partners according to their distributive shares of partnership gross  
23 income and applied against any Louisiana income tax ~~and corporation franchise tax~~  
24 liability of ~~such~~ the partners.

25 (5) The credit for taxes paid by or on behalf of a limited liability company  
26 shall be allocated to the members according to their distributive shares of ~~such~~ the  
27 limited liability company's gross income and applied against any Louisiana income  
28 tax ~~and corporation franchise tax~~ liability of ~~such~~ the members; however, the credit  
29 for taxes paid by or on behalf of a limited liability company treated as a corporation

1 for Louisiana income tax purposes may be applied against the Louisiana corporation  
2 income taxes of ~~such~~ the limited liability company.

3 \* \* \*

4 §6015. Research and development tax credit

5 \* \* \*

6 B.(1) Any taxpayer who employs fifty or more persons and claims for the  
7 taxable year a federal income tax credit under 26 U.S.C. 41(a) for increasing research  
8 activities shall be allowed a tax credit to be applied against income ~~and corporation~~  
9 ~~franchise taxes~~ tax due in the manner provided for in Subsection K of this Section.

10 (2) Any taxpayer who employs less than fifty persons and claims for the  
11 taxable year a federal income tax credit under 26 U.S.C. 41(a) for the taxable year,  
12 or meets the requirements of Subparagraph (3)(i) of this Subsection, shall be allowed  
13 a tax credit to be applied against income ~~and corporation franchise taxes~~ tax due in  
14 the manner provided for in Subsection K of this Section.

15 \* \* \*

16 C.

17 \* \* \*

18 (3)(a) All entities taxed as corporations for Louisiana income ~~or corporation~~  
19 ~~franchise~~ tax purposes shall claim any credit allowed under this Section on their  
20 corporation income ~~and corporation franchise~~ tax return.

21 \* \* \*

22 (d) Entities not taxed as corporations shall claim any credit allowed under  
23 this Section on the returns of the partners or members as follows:

24 (i) Corporate partners or members shall claim their share of the credit on  
25 their corporation income ~~or corporation franchise~~ tax returns.

26 \* \* \*

27 D.

28 \* \* \*





1 contractor in a certified Private Sector/Prison Industry Enhancement Program which  
2 employs inmates of Louisiana correctional institutions to manufacture such apparel.

3 \* \* \*

4 D. Notwithstanding anything to the contrary in ~~either Chapter 1 or Chapter~~  
5 5 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, as amended,  
6 the following rules shall apply with respect to the application of the credit provided  
7 for in this Section:

8 \* \* \*

9 E. Notwithstanding any other law to the contrary, any excess of allowable  
10 credit over aggregate tax liabilities against which ~~such~~ the credit can be applied shall  
11 constitute an overpayment, as defined in R.S. 47:1621(A), and the secretary of the  
12 Department of Revenue may make a refund of ~~such~~ the overpayment from the  
13 current collections of the taxes imposed by Chapter 1 ~~or Chapter 5~~ of Subtitle II of  
14 Title 47 of the Louisiana Revised Statutes of 1950, as amended, together with  
15 interest as provided in R.S. 47:1624. The right to a credit or refund of any ~~such~~  
16 overpayment shall not be subject to the requirements of R.S. 47:1621(B). All credits  
17 and refunds, together with interest thereon, shall be paid or disallowed within ninety  
18 days of receipt by the secretary of ~~any such~~ the claim for refund or credit. Failure  
19 of the secretary to pay or disallow the credit or refund in whole or in part shall entitle  
20 the aggrieved taxpayer to proceed with the remedies provided in R.S. 47:1625.

21 \* \* \*

22 §6019. Tax credit; rehabilitation of historic structures

23 A.(1)(a)(i) There shall be a credit against income ~~and corporation franchise~~  
24 tax for the amount of eligible costs and expenses incurred during the rehabilitation  
25 of a historic structure located in a downtown development district, located in a  
26 cultural district, or contributing to the National Register of Historic Places. The  
27 amount of the credit shall equal twenty-five percent of the eligible costs and  
28 expenses of the rehabilitation incurred prior to January 1, 2018, regardless of the  
29 year in which the property is placed in service. The amount of the credit shall equal

1 twenty percent of the eligible costs and expenses of the rehabilitation incurred on or  
2 after January 1, 2018, and before January 1, 2023, regardless of the year in which the  
3 property is placed in service. The amount of the credit shall equal twenty-five  
4 percent of the eligible costs and expenses of the rehabilitation incurred on or after  
5 January 1, 2023, and before January 1, 2029, regardless of the year in which the  
6 property is placed in service. No credit is authorized pursuant to this Section for  
7 expenses incurred on or after January 1, 2029.

8 \* \* \*

9 (3)(a) The credit shall be allowed against the income tax for the taxable  
10 period in which the credit is earned ~~and against the franchise tax for the taxable~~  
11 ~~period following the taxable period in which the credit is earned.~~ If the tax credit  
12 allowed pursuant to this Section exceeds the amount of such taxes due, any unused  
13 credit may be carried forward as a credit against subsequent tax liability for a period  
14 not to exceed five years. This credit may be used in addition to the twenty percent  
15 federal tax credit for such purposes.

16 (b)

17 \* \* \*

18 (ii)(aa) All entities taxed as corporations for Louisiana income ~~or corporation~~  
19 ~~franchise~~ tax purposes shall claim any credit allowed under this Section on their  
20 corporation income ~~and corporation franchise~~ tax return.

21 \* \* \*

22 (dd) Entities not taxed as corporations shall claim any credit allowed under  
23 this Section on the returns of the partners or members as follows:

24 (I) Corporate partners or members shall claim their share of the credit on  
25 their corporation income ~~or corporation franchise~~ tax returns.

26 \* \* \*

27 §6020. Angel Investor Tax Credit Program

28 \* \* \*

29 D. Tax credits.

1 \* \* \*

2 (2)(a) An investor may apply for and, if qualified, be granted a credit on any  
3 income ~~or corporation franchise~~ tax liability owed to the state by the taxpayer  
4 seeking to claim the credit in the amount approved by the secretary of the  
5 department. The amount of the tax credit shall be based upon the amount of money  
6 invested by the investor in the Louisiana Entrepreneurial Business, which investment  
7 shall not exceed seven hundred twenty thousand dollars per year per business and  
8 one million four hundred forty thousand dollars total per business. Except as  
9 otherwise provided in Subparagraph (b) of this Paragraph, the credit shall be allowed  
10 against the income tax for the taxable period in which the credit is earned ~~and the~~  
11 ~~franchise tax for the taxable period following the period in which the credit is earned.~~  
12 The credits approved by the department shall be granted at the rate of twenty-five  
13 percent of the amount of the investment with the credit divided in equal portions for  
14 two years.

15 \* \* \*

16 (3)(a) All entities taxed as corporations for Louisiana income ~~or corporation~~  
17 ~~franchise~~ tax purposes shall claim any credit allowed under this Section on their  
18 corporation income ~~and corporation franchise~~ tax return.

19 \* \* \*

20 (d) Entities not taxed as corporations shall claim any credit allowed under  
21 this Section on the returns of the partners or members as follows:

22 (i) Corporate partners or members shall claim their share of the credit on  
23 their corporation income ~~or corporation franchise~~ tax returns.

24 \* \* \*

25 §6022. Digital interactive media and software tax credit

26 \* \* \*

27 E. Use of tax credits. (1) For tax credits earned for expenditures made on  
28 or before December 31, 2011:



1 a taxpayer in a taxable period exceed the amount of ~~such~~ taxes due from the taxpayer  
2 for that taxable period.

3 (2) All entities taxed as corporations for Louisiana income tax purposes shall  
4 claim any credit on their corporation income ~~and franchise~~ tax return.

5 \* \* \*

6 §6032. Tax credit for certain milk producers

7 A. A resident taxpayer engaged in the business of producing milk for sale  
8 shall be allowed a refundable tax credit based on the amount of milk produced and  
9 sold. The credit may be claimed against any Louisiana income tax ~~and the~~  
10 ~~corporation franchise tax~~. The credit shall be allowed when the USDA Uniform  
11 Price in Federal Order Number 7 drops below the announced production price any  
12 time during the calendar year.

13 \* \* \*

14 D. The credit provided by this Section shall be earned on the last day of each  
15 calendar year and may be claimed against the income tax for the taxable year that  
16 includes the day on which the credit is earned ~~or for the succeeding franchise tax~~  
17 ~~year~~. The credit shall be prorated on a quarterly basis.

18 \* \* \*

19 §6033. Apprenticeship tax credits

20 \* \* \*

21 C. Administration of the credit. For taxable periods beginning after  
22 December 31, 2021, there shall be allowed a nonrefundable tax credit against  
23 Louisiana income tax ~~or corporation franchise tax~~ for the employment of eligible  
24 apprentices as provided for in this Section.

25 \* \* \*

26 D. Application of the credit.

27 (1) The credit shall be allowed against the income ~~or franchise~~ tax due from  
28 a taxpayer for the taxable period in which the credit is earned. If the tax credit  
29 allowed pursuant to this Section exceeds the amount of such taxes due from a

1 taxpayer, then the taxpayer as a credit may carry any unused credit forward to be  
2 applied against subsequent tax liability for a period not to exceed five years.  
3 However, in no event shall the amount of the tax credit applied by a taxpayer in a  
4 taxable period exceed the amount of such taxes due from the taxpayer for that  
5 taxable period.

6 (2) All entities taxed as corporations for Louisiana income tax purposes shall  
7 claim any credit on their corporation income ~~and franchise~~ tax return.

8 \* \* \*

9 §6036. Ports of Louisiana tax credits

10 \* \* \*

11 C. Investor tax credit.

12 (1)(a) There are hereby authorized the following credits against state income  
13 ~~and corporate franchise~~ tax:

14 \* \* \*

15 I. Import-export cargo tax credit.

16 \* \* \*

17 (2)(a)(i) For taxable years beginning on and after January 1, 2014, there shall  
18 be allowed a credit against the ~~individual income, corporation income, and~~  
19 ~~corporation franchise~~ tax liability of a taxpayer who has received certification  
20 pursuant to the provisions of Paragraph (1) of this Subsection, provided that the  
21 credit shall be allowed only against the tax liability of the international business  
22 entity which receives the certification. The amount of the credit shall be equal to the  
23 product of multiplying three dollars and sixty cents by the taxpayer's number of tons  
24 of qualified cargo for the taxable year which exceeds the pre-certification tonnage  
25 or the product of multiplying the number of dollars by the taxpayer's number of tons  
26 of qualified cargo for the taxable year or portion of a taxable year which exceeds the  
27 pre-certification tonnage which is warranted by the significant positive economic  
28 benefit determined by the commissioner pursuant to Item (ii) of this Subparagraph,  
29 whichever is less. For purposes of this Item, "pre-certification tonnage" means the

1 number of tons of cargo which meets the definition of qualified cargo for purposes  
 2 of this credit, and which was owned by the international business entity receiving the  
 3 credit, were imported or exported to or from a manufacturing, fabrication, assembly,  
 4 distribution, processing, or warehouse facility located in Louisiana, and which were  
 5 so moved by way of an oceangoing vessel berthed at public port facilities in  
 6 Louisiana during the calendar year prior to the year in which the application is  
 7 submitted. However, each tax credit granted to a taxpayer shall be subject to the  
 8 same limit as is provided for a qualifying project pursuant to Subparagraph (C)(1)(b)  
 9 of this Section. In addition, the import-export cargo tax credits granted by the  
 10 department to any recipient pursuant to this Section shall be limited to an amount  
 11 which shall not result in a reduction of tax liability by all recipients of such credits  
 12 to exceed four million five hundred thousand dollars in any fiscal year.

\* \* \*

14 (b) In the event that the tax credits allowed pursuant to this Subsection  
 15 exceed the total tax liability of the taxpayer in the taxable year, the amount of the  
 16 credit not used as an offset against ~~such~~ tax liability may be carried forward as a  
 17 credit against subsequent ~~individual and corporation income, or corporation franchise~~  
 18 tax liabilities for a period not to exceed five taxable years.

\* \* \*

20 §6105. Child care provider tax credit

21 A. There shall be a credit against any Louisiana ~~individual or corporation~~  
 22 income tax ~~or corporation franchise tax~~ for a child care provider refundable as  
 23 provided for in R.S. 47:6108. The tax credit shall be an amount based upon the  
 24 average monthly number of children who either participate in the Child Care  
 25 Assistance Program administered by the office of children and family services in the  
 26 Department of Children and Family Services or who are foster children in the  
 27 custody of the Department of Children and Family Services, and who are attending  
 28 a child care facility or facilities operated by the child care provider, multiplied by an



1 amount which shall be based upon the quality rating of each child care facility  
2 operated by the child care provider as follows:

3 **Quality Rating of Child Care Facility Tax Credit Per Eligible Child Attending**

4	Five star	\$1,500
5	Four star	\$1,250
6	Three star	\$1,000
7	Two star	\$ 750
8	One star or nonparticipating facility	0
9	* * *	

10 §6107. Business-supported child care

11 A.(1) There shall be a refundable credit against any Louisiana ~~individual or~~  
12 ~~corporation~~ income tax ~~or corporation franchise tax~~ for the eligible business child  
13 care expenses supported by a business. The credit shall be the following percentages  
14 of such eligible business child care expenses depending upon the quality rating of the  
15 child care facility to which the expenses are related or the quality rating of the child  
16 care facility the child attends:

17	Quality Rating of Child Care Facility	Percentage of eligible business
18		child care expenses
19	Five star	20%
20	Four star	15%
21	Three star	10%
22	Two star	5%
23	One star or nonparticipating facility	0

24 (2) There shall be an additional refundable credit against any Louisiana  
25 ~~individual or corporation~~ income tax ~~or corporation franchise tax~~ for the payment by  
26 a business of fees and grants to child care resource and referral agencies not to  
27 exceed five thousand dollars per tax year.

28 B. The credits provided for in this Section shall be allowed against income  
29 tax ~~or corporate franchise tax~~ for the taxable period in which the credit is earned. If

1 the tax credit exceeds the amount of such taxes due, then the unused credit shall be  
2 refunded as provided for in R.S. 47:6108.

3 \* \* \*

4 §6108. Refundable tax credits

5 A. Notwithstanding any other provision of law to the contrary, any excess  
6 of allowable credit provided in R.S. 47:6105, 6106, and 6107 and the refundable  
7 portion of the credit as provided for in R.S. 47:6104 over the aggregate tax liabilities  
8 against which ~~such~~ the credit may be applied, as provided in this Section, shall  
9 constitute an overpayment, as defined in R.S. 47:1621(A), and the secretary shall  
10 make a refund of ~~such~~ the overpayment from the current collections of the taxes  
11 imposed by Chapter 1 ~~or Chapter 5~~ of Subtitle II of this Title, together with interest  
12 as provided in R.S. 47:1624. The right to a credit or refund of any ~~such~~ overpayment  
13 shall not be subject to the requirements of R.S. 47:1621(B). All credits and refunds,  
14 together with interest thereof, must be paid or disallowed within one year of receipt  
15 by the secretary of ~~any such~~ the claim for refund or credit. Failure of the secretary  
16 to pay or disallow, in whole or in part, any claim for a credit or a refund shall entitle  
17 the aggrieved taxpayer to proceed with the remedies provided in R.S. 47:1625.

18 B. Notwithstanding anything to the contrary in ~~either~~ Chapter 1 ~~or Chapter~~  
19 5 of Subtitle II of this Title, as amended, the following rules shall apply with respect  
20 to the application of the credit established in Subsection A of this Section:

21 (1) The credit for taxes paid by or on behalf of a corporation shall be applied  
22 against Louisiana corporate income ~~and corporation franchise taxes~~ tax of ~~such~~ the  
23 corporation.

24 \* \* \*

25 (3) The credit for taxes paid by or on behalf of a corporation classified under  
26 Subchapter S of the Internal Revenue Code of 1954, as amended, as an S corporation  
27 shall be applied first against any Louisiana corporate income ~~and corporation~~  
28 ~~franchise taxes~~ tax due by ~~such~~ the S corporation, and the remainder of any ~~such~~  
29 credit shall be allocated to the shareholder or shareholders of ~~such~~ the S corporation

1 in accordance with their respective interests and applied against the Louisiana  
2 income tax of ~~such~~ the shareholder or shareholders of the S corporation.

3 (4) The credit for taxes paid by or on behalf of a partnership shall be  
4 allocated to the partners according to their distributive shares of partnership gross  
5 income and applied against any Louisiana income tax ~~and corporation franchise tax~~  
6 liability of ~~such~~ the partners.

7 \* \* \*

8 Section 2. R.S. 51:1787(A)(2)(a) and (b) and (G), and 2399.3(A)(1) and (3)(a) and  
9 (d)(i) are hereby amended and reenacted to read as follows:

10 §1787. Enterprise zone incentives

11 A. The board, after consultation with the secretaries of the Department of  
12 Economic Development and Department of Revenue, and with the approval of the  
13 governor, may enter into contracts not to exceed five years to provide:

14 \* \* \*

15 (2)(a) Except as provided in Subparagraph (b) of this Paragraph, for a two  
16 thousand five hundred dollar tax credit per net new employee as determined by the  
17 company's average annual employment reported under the Louisiana Employment  
18 Security Law during the taxable year for which credit is claimed. For projects for  
19 which the advance notification form is filed on or after April 1, 2016, the amount of  
20 the credit provided for in this Subparagraph shall be one thousand dollars per net  
21 new employee, unless either the net new employee for which the credit is claimed  
22 was receiving Supplemental Nutrition Assistance Program (SNAP), Women, Infants,  
23 and Children (WIC), Medicaid, unemployment benefits, or any other benefits from  
24 a similar public assistance program, as provided for in rule by the Department of  
25 Economic Development, during the six-month period prior to employment or the net  
26 new employee is hired by a participating business located in an enterprise zone. The  
27 amount of the credit for each net new employee meeting these qualifications shall  
28 be three thousand five hundred dollars. This tax credit may be applied to any state  
29 income tax liability ~~or any state corporate franchise tax liability~~, but not liabilities

1 for penalty or interest, due or outstanding at the time the credit is generated.  
 2 However, credits may be applied to a due or outstanding tax liability attributable to  
 3 tax years prior to the year in which the credit is generated only if the tax liability is  
 4 the result of an assessment, administrative, or judicial proceeding by the Department  
 5 of Revenue after an audit, provided that no further interest or penalty shall be  
 6 accrued on such tax liability after the credit is generated. If the entire credit cannot  
 7 be used in the year claimed, the remainder may be applied against the income tax ~~or~~  
 8 ~~corporate franchise tax~~ for the succeeding ten taxable years or until the entire credit  
 9 is used, whichever occurs first. These credits shall also apply to those tax liabilities,  
 10 but not liabilities for penalty or interest, identified in tax years where existing  
 11 contracts generate the credit.

12 (b) In lieu of the tax credit provided in Subparagraph (a) of this Paragraph,  
 13 for aviation or aerospace industries as defined in North American Industry  
 14 Classification System (NAICS) Code 336411, 336412, 336413, and 332912, for a  
 15 five thousand dollar tax credit for each new job created. This tax credit may be  
 16 applied to any state income tax liability ~~or any state franchise tax liability~~ within a  
 17 ten-year period from the date that the contract becomes effective or until the entire  
 18 credit is used, whichever occurs first.

19 \* \* \*

20 G. The board, after consultation with the secretaries of the Department of  
 21 Economic Development and the Department of Revenue, and with the approval of  
 22 the governor, may enter into agreements with employers located in either urban or  
 23 rural enterprise zones or in economic development zones under which employers  
 24 may receive a two-year tax credit for a total of two thousand five hundred dollars for  
 25 each FITAP participant who is employed full time for a period of not less than two  
 26 years for compensation which will disqualify such person from continued  
 27 participation in the FITAP program. This tax credit may be applied to any state  
 28 income tax liability ~~or any state franchise tax liability~~ and shall be used for the  
 29 taxable year in which the increase in average annual employment occurred.



1 Section 5. This Act shall become effective on July 1, 2025.

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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 Draft

2025 Regular Session

**Abstract:** ABSTRACT

(Amend R.S. 47:287.750(E)(1), 6005(C)(1), 6006(A), (B)(1)(intro. para.), (2), and (4), 6006.1(A), (B)(intro. para.), (1), (3), and (4), and (C), 6008(A), 6013(A), 6014(A), (B), and (C)(1) and (3) through (5), 6015(B)(1) and (2), (C)(3)(a) and (d)(i), (D)(2)(intro. para.), and (K), 6017(A), 6018(B), (D)(intro. para.), and (E), 6019(A)(1)(a)(i) and (3)(a), (b)(ii)(aa), and (dd)(I), 6020(D)(2)(a), (3)(a) and (d)(i), 6022(E)(1)(a), (b), and (e)(intro. para.), 6028(C)(intro. para.) and (D)(1) and (2), 6032(A) and (D), 6033(C)(intro. para.) and (D)(1) and (2), 6036(C)(1)(a)(intro. para.) and (I)(2)(a)(i) and (b), 6105(A), 6107(A) and (B), and 6108(A), (B)(intro. para.), (1), (3), and (4), R.S. 51:1787(A)(2)(a) and (b) and (G), and 2399.3(A)(1) and (3)(a) and (d)(i); Repeals R.S. 47:601- 618, 3204(H)(1), (I)(1)(a), and (J)(1), and 4305(B)(1))