

SENATE BILL NO. 218

BY SENATORS MURRAY, BAJOIE, SCHEDLER, BROOME, CAIN, CHAISSON,  
DUPLESSIS, FIELDS, B. GAUTREAUX, JACKSON, MICHOT,  
NEVERS, ROMERO AND SHEPHERD AND REPRESENTATIVES  
ARNOLD AND SCALISE

1 AN ACT

2 To enact R.S. 47:6026, relative to income tax credits; to provide for income tax credits  
3 related to musical or theatrical productions and musical or theatrical facility  
4 infrastructure projects; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:6026 is hereby enacted to read as follows:

7 **§6026. Musical and theatrical production income tax credit**

8 **A. Purpose. It is the intention of the legislature in creating these five**  
9 **different types of tax credits, one for the production expenses of the producers**  
10 **of performances, a temporary one for transporting their property, one for the**  
11 **payroll of residents, one for employing college and vocational-technical**  
12 **students, and one for the construction, repair, or renovation of facilities related**  
13 **to such productions and performances, to establish and promote Louisiana as**  
14 **one of the primary places in the United States in which all the classic disciplines**  
15 **in the performing arts from creation to presentation are present and thriving,**  
16 **including touring Broadway-bound productions and productions of local artists.**  
17 **The creation of such a cultural center will enhance economic development**  
18 **because it fits well with the state's reputation as a tourist destination, will offer**  
19 **many and varied employment opportunities, and in conjunction with the**  
20 **available federal and state incentives, will be an attraction for new and**  
21 **relocating businesses and will provide for the reinventing of countless**  
22 **abandoned properties as either performance or rehearsal spaces, professional**

1 housing for artists, production support services and facilities, back-end  
2 production and marketing headquarters, or retail, restaurant, and  
3 entertainment spaces. Such a cultural center will also spur educational  
4 development: Louisiana colleges, universities, and vocational-technical schools  
5 will be able to offer talented undergraduate and graduate students from this  
6 state, other states, and around the world a real world opportunity to participate  
7 in degree programs across the state that work on the various productions in  
8 accounting, law, management, and marketing and to fill arts-related positions  
9 such as actors, writers, producers, stage hands, and directors, as well as  
10 technicians working on all aspects of the production such as lighting, sound, and  
11 actual stage production and operations. Careers now possible only in California  
12 and New York will keep our children here.

13 **B. Definitions. For the purposes of this Section:**

14 **(1) "Base investment" means expenditures for the following for which**  
15 **a credit is granted in this Section, or investments made by a company or**  
16 **financier which are for such expenditures:**

17 **(a) Production expenditures for a state-certified musical or theatrical**  
18 **production.**

19 **(b) Expenditures in the state for the construction, repair, or renovation**  
20 **of a state-certified musical or theatrical facility infrastructure project.**

21 **(2) "Company" or "financier" means any individual, firm, partnership,**  
22 **limited liability company, joint venture, association, corporation, estate, trust,**  
23 **or other entity, group, or combination acting as a unit, and the plural as well as**  
24 **the singular number.**

25 **(3) "Expended in the state" means expenditures for tangible property to**  
26 **be used within the state; and in the case of services, means expenditures for**  
27 **services performed within the state; and in the case of intangible property,**  
28 **means the acquisition of permits, licenses, or other rights related to state-**  
29 **certified musical or theatrical productions or state-certified musical or**  
30 **theatrical facility infrastructure projects used within the state.**

1           (4) "Musical or theatrical production" means the producing, rehearsing,  
2           marketing, administration, recording, performing and/or filming of a live  
3           musical or theatrical performance in the state before live audiences, the costs  
4           of which are not certified for other tax credits provided for in Louisiana law,  
5           whether or not there is a charge for admission. Such performances shall  
6           include, but not be limited to drama, comedy, comedy revue, opera, ballet, jazz,  
7           cabaret and variety entertainment.

8           (5) "Payroll" means all salary, wages, and other compensation, including  
9           related benefits for services performed in Louisiana.

10           (6)(a) "Production expenditures" means development, production, or  
11           operating expenditures in this state for a state-certified production, including,  
12           but not limited to expenditures for the following:

13           (i) Set construction and operation, including special and visual effects.

14           (ii) Costumes, wardrobes, make-up, accessories, and related services.

15           (iii) Costs associated with sound, lighting, staging, and related services  
16           and materials.

17           (iv) Payroll.

18           (v) Rental of facilities and equipment and leasing of vehicles.

19           (vi) Food and lodging.

20           (vii) Airfare for people to, from, or within the state shall be considered  
21           production expenditures if purchased through a Louisiana-based travel agency  
22           or travel company.

23           (viii) Music performed live in the state or recorded in the state, including  
24           the costs of sound, digital, analogue recordings or the recording of music by any  
25           other means, and the mixing of such recordings if performed or recorded by a  
26           musician who is a resident of Louisiana, a group of musicians based in  
27           Louisiana, or if contracted for through a Louisiana-based agency. Such costs  
28           incurred when a group of musicians based in Louisiana provide the musical  
29           accompaniment for non-resident performers, or the costs of music directors,  
30           conductors, or composers who are non-residents shall also be included as a

1           production expenditure.

2                   (ix) Preproduction, production, and postproduction expenditures in this  
3           state that are directly incurred in connection with filming such production  
4           which expenditures do not otherwise qualify as a production expenditure in this  
5           Paragraph, including but not limited to costs associated with the following:  
6           photography and sound synchronization, lighting, and related services and  
7           materials; editing and related services; digital or tape editing, film processing,  
8           transfer of film to tape or digital format, sound mixing, special and visual  
9           effects.

10                   (x) Administration and professional services, including but not limited  
11           to management, accounting, and legal services incurred in connection with a  
12           state-certified musical or theatrical production.

13                   (xi) The costs of insurance or bonding incurred in connection with a  
14           state-certified musical or theatrical production, if purchased through a  
15           Louisiana-based insurance agency.

16                   (xii) Preproduction and postproduction expenditures for marketing and  
17           distribution within and without the state, if purchased through an agency which  
18           has offices in Louisiana, if the creators of materials used in such marketing are  
19           residents of Louisiana, or if the expenditures to create materials used in such  
20           marketing occur within Louisiana.

21                   (xiii) The costs of acquiring permits, licenses, or other rights related to  
22           state-certified musical or theatrical productions.

23                   (xiv) Similar production expenditures in the state as determined by rule.

24                   (b) "Production expenditures" shall not include any indirect costs , any  
25           expenditures later reimbursed by a third party, or any amounts that are paid  
26           to persons or entities as a result of their participation in profits from the  
27           exploitation of the production.

28                   (7)(a) "Resident" or "resident of Louisiana" means a natural person  
29           and, for the purpose of determining eligibility for the tax incentives provided  
30           by this Section, a person who qualifies for any of the following reasons:

1            (i) The person is domiciled in the state of Louisiana.

2            (ii) The person maintains a permanent place of abode within the state  
3 and spends in the aggregate more than six months of each year within the state.

4            (iii) The person pays taxes to the state on the amount of money paid to  
5 such person for which a credit is sought pursuant to this Section.

6            (b) A company owned or controlled by such a person and which lends the  
7 services of such a person for a state-certified musical or theatrical production  
8 shall also be deemed a resident if such company is organized or authorized to  
9 do business in the state and such company pays taxes to the state on the amount  
10 of money paid to such company for such services of such person.

11            (8) "State-certified musical or theatrical facility infrastructure project"  
12 or "state-certified infrastructure project" means a capital infrastructure  
13 project in the state directly related to the production or performance of musical  
14 or theatrical productions as defined in this Section, and movable and  
15 immovable property and equipment related thereto, or any other facility which  
16 supports and is a necessary component of such facility, and any expenditures in  
17 the state related to the construction, repair, or renovation of such project, which  
18 are certified, verified, and approved as provided for in this Section.

19            (9)(a) "State-certified musical or theatrical production" means a musical  
20 or theatrical production, or a series of productions occurring over the course  
21 of a twelve-month period, and the recording or filming of such production,  
22 which originate, are developed, or have their initial public performance before  
23 a paying audience within Louisiana, or which have their United States debut  
24 within Louisiana, and the production expenditures, expenditures for the payroll  
25 of residents, transportation expenditures, and expenditures for employing  
26 college and vocational-technical students related to such production or  
27 productions, that are certified, verified, and approved as provided for in this  
28 Section.

29            (b) A "state-certified musical or theatrical production" which shall be  
30 eligible for re-certification and the credit provided for in this Section shall

1 include a previously certified musical or theatrical production which received  
2 a credit pursuant to this Section, and which is otherwise eligible pursuant to this  
3 Section, which returns for performances within the state after being performed  
4 on Broadway.

5 (10)(a) "Transportation expenditures" means expenditures for the  
6 packaging, crating and transportation both to the state for use in a state-  
7 certified musical or theatrical production of sets, costumes or other tangible  
8 property constructed or manufactured out of state, and/or from the state after  
9 use in a state-certified musical or theatrical production of sets, costumes, or  
10 other tangible property constructed or manufactured in this state. Such term  
11 shall include the packaging, crating, and transporting of property and  
12 equipment used for special and visual effects, sound, lighting, and staging,  
13 costumes, wardrobes, make-up and related accessories and materials, as well  
14 as any other performance or production-related property and equipment;  
15 provided that transportation services are purchased through a company which  
16 has a significant business presence in the state.

17 (b) "Transportation expenditures" shall not include any costs to  
18 transport property and equipment to be used only for filming and not in a state-  
19 certified production, any indirect costs, any expenditures that are later  
20 reimbursed by a third party, or any amounts that are paid to persons or entities  
21 as a result of their participation in profits from the exploitation of the  
22 production.

23 C. Income tax credits for state-certified productions and state-certified  
24 musical or theatrical facility infrastructure projects:

25 (1) There is hereby authorized the following types of credits against the  
26 state income tax:

27 (a)(i)(aa) A base investment credit may be granted for certified, verified,  
28 and approved production expenditures for a state-certified musical or theatrical  
29 production, or for investments made by a company or a financier in such  
30 production which are, in turn, expended for such production expenditures.

1           **(bb) The initial certification shall be effective for a period of twelve**  
2           **months prior to and twelve months after the date of initial certification.**

3           **(ii)(aa) Until January 1, 2014, a base investment credit may be granted**  
4           **for certified, verified, and approved expenditures in the state for the**  
5           **construction, repair, or renovation of a state-certified musical or theatrical**  
6           **facility infrastructure project, or for investments made by a company or a**  
7           **financier in such infrastructure project which are, in turn, expended for such**  
8           **construction, repair, or renovation, not to exceed ten million dollars per state-**  
9           **certified infrastructure project, under conditions provided for in this Item. No**  
10           **more than sixty million dollars in tax credits under this Section shall be granted**  
11           **for infrastructure projects per year.**

12           **(bb) If all or a portion of an infrastructure project is a facility which may**  
13           **be used for other purposes not directly related to the production or**  
14           **performance of musical or theatrical production activities, then the project shall**  
15           **only be approved if a determination is made that the multiple-use facility will**  
16           **support and will be necessary to secure musical or theatrical production**  
17           **activities for the musical or theatrical production or performance facility and**  
18           **the applicant provides sufficient contractual assurances that:**

19           **(I) The facility will be used for the production or performance of musical**  
20           **or theatrical production activities, or as a support and component thereof, for**  
21           **the useful life of the facility.**

22           **(II) No tax credits shall be earned on such multiple-use facilities until the**  
23           **facility directly used in musical or theatrical productions or performances is**  
24           **complete.**

25           **(cc) Tax credits for infrastructure projects shall be earned only as**  
26           **follows:**

27           **(I) Construction of the infrastructure project shall begin within six**  
28           **months of the initial certification provided for in Subparagraph (E)(1)(d) of this**  
29           **Section.**

30           **(II) Expenditures shall be certified, verified, and approved as provided**

1 for in this Section, and credits are not earned until such certification.

2 (III) Twenty-five percent of the total base investment provided for in the  
3 initial certification of an infrastructure project pursuant to Subparagraph  
4 (E)(1)(d) of this Section shall be certified, verified, and approved as expended  
5 before any credits may be earned.

6 (IV) No tax credit shall be allowed for expenditures made for any  
7 infrastructure project two years after its initial certification pursuant to  
8 Subparagraph (E)(1)(d) of this Section, unless fifty percent of total base  
9 investment provided for in the initial certification of the project pursuant to  
10 such Subparagraph has been expended prior to that time. The expenditures  
11 may be finally certified at a later date.

12 (dd) The initial certification may require the tax credits to be taken  
13 and/or transferred in the tax period in which the credit is earned or the tax  
14 credits may be structured in the initial certification of the project to provide  
15 that only a portion of the tax credit be taken over the course of two or more tax  
16 years.

17 (iii) Except as limited for state-certified infrastructure projects as  
18 provided for in this Subparagraph, the base investment credit shall be for the  
19 following amounts:

20 (aa) If the total base investment is greater than one hundred thousand  
21 dollars and less than or equal to three hundred thousand dollars, a company  
22 shall be allowed a tax credit of ten percent of the base investment made by that  
23 company.

24 (bb) If the total base investment is greater than three hundred thousand  
25 dollars and less than or equal to one million dollars, a company shall be allowed  
26 a tax credit of twenty percent of the base investment made by that company.

27 (cc) If the total base investment is greater than one million dollars, a  
28 company shall be allowed a tax credit of twenty-five percent of the base  
29 investment made by that company.

30 (b) Because the legislature hereby determines that the state lacks the

1 facilities and services necessary to provide adequate resources for the  
2 construction of sets, costumes and related property needed for productions and  
3 performances in the state, an additional transportation expenditure tax credit  
4 shall be allowed for the following percentages of certified, verified, and  
5 approved transportation expenditures as defined in Paragraph (B)(10) of this  
6 Section; provided that transportation services are purchased through a  
7 company which has a significant business presence in the state:

8 (i) One hundred percent of such amounts incurred through calendar  
9 year 2010.

10 (ii) Fifty percent of such amounts incurred during the calendar year  
11 2011.

12 (iii) Twenty-five percent of such amounts incurred during the calendar  
13 year 2012.

14 (iv) No such transportation expenses incurred after December 31, 2012,  
15 shall be eligible for such credit.

16 (c) An additional tax credit of one tenth of one percent of the amount  
17 expended to employ students enrolled in Louisiana colleges, universities, and  
18 vocational-technical schools in a state certified musical or theatrical production  
19 in arts-related positions, such as an actor, writer, producer, stage hand, or  
20 director, or as a technician working on aspects of the production such as  
21 lighting, sound, and actual stage work, or working indirectly on the production  
22 in accounting, law, management, and marketing.

23 (d) To the extent that base investment is expended on payroll for  
24 Louisiana residents employed in connection with a state-certified musical or  
25 theatrical production, except for the students provided for in Subparagraph (c)  
26 of this Paragraph, or the construction of a state-certified musical or theatrical  
27 facility infrastructure project, a company shall be allowed an additional tax  
28 credit of ten percent of such payroll. However, if the amount paid to any one  
29 person exceeds one million dollars, the additional credit shall not include any  
30 amount paid to that person that exceeds one million dollars.

1           **(2)(a) The tax credits shall be earned each calendar year to the extent the**  
2           **Louisiana Department of Economic Development verifies in writing that**  
3           **expenditures qualifying for a credit pursuant to this Section have been**  
4           **expended for the calendar year in accordance with the estimates of such**  
5           **expenditures for the calendar year set forth in the certification of the**  
6           **production or project.**

7           **(b) No credit shall be allowed under this Section for any expenditures for**  
8           **which a financier receives a credit pursuant to this Section, or for which a credit**  
9           **is granted under R.S. 47:6007 or 6023. In addition, a state-certified production**  
10           **or state-certified infrastructure project which receives tax credits pursuant to**  
11           **the provisions of this Chapter shall not be eligible to receive the rebates**  
12           **provided for in R.S. 51:2451 through 2461 in connection with the activity for**  
13           **which the tax credits were received.**

14           **(3) Tax credits associated with a state-certified musical or theatrical**  
15           **production or a state-certified musical or theatrical facility infrastructure**  
16           **project shall never exceed the total base investment in that production or**  
17           **infrastructure project and transportation expenditures.**

18           **(4) The granting of credits under this Section shall be on a first-come,**  
19           **first-served basis. If the total amount of credits applied for in any particular**  
20           **year exceeds the aggregate amount of tax credits allowed for that year, the**  
21           **excess shall be treated as having been applied for on the first day of the**  
22           **subsequent year.**

23           **D.(1) The credit shall be allowed against individual or corporate income**  
24           **tax of the companies or financiers of the production or infrastructure project**  
25           **in accordance with their share of the credit as provided for in the application**  
26           **for certification for the production or infrastructure project. A company or**  
27           **financier may on a one-time basis, transfer the credit, and/or any refund of an**  
28           **overpayment, to an individual or other entity including without limitation a**  
29           **bank or other lender, provided that the transfer shall not be effective until**  
30           **receipt by the Department of Revenue of written notice of such transfer. The**

1 credit shall be allowed for the taxable period in which expenditures eligible for  
2 a credit are expended. Any excess of the credit over the income tax liability  
3 against which the credit may be applied shall constitute an overpayment, as  
4 defined in R.S. 47:1621(A), and the secretary shall make a refund of such  
5 overpayment from the current collections of the taxes imposed by Chapter 1 of  
6 Subtitle II of this Title, as amended. The right to a refund of any such  
7 overpayment shall not be subject to the requirements of R.S. 47:1621(B).

8 (2) Application of the credit.

9 (a) Individuals, estates, and trusts shall claim their share of any credit  
10 on their income tax return.

11 (b) Entities not taxed as corporations shall claim their share of any credit  
12 on the returns of the partners or members.

13 (c) Corporate partners or members shall claim their share of any credit  
14 on their corporation income tax returns.

15 (d) Individual partners or members shall claim their share of any credit  
16 on their individual income tax returns.

17 (e) Partners or members that are estates or trusts shall claim their share  
18 of any credit on their fiduciary income tax returns.

19 E. Certification and administration:

20 (1)(a)(i) The secretary of the Department of Economic Development, the  
21 commissioner of administration, and the office of the governor shall determine  
22 which musical or theatrical productions and which musical or theatrical facility  
23 infrastructure projects shall be certified pursuant to this Section through the  
24 adoption and promulgation of rules by the department, in consultation with the  
25 commissioner and the office of the governor. The rules shall also provide for all  
26 of the following:

27 (aa) The minimum criteria for such certification.

28 (bb) The manner in which the department shall decide which  
29 expenditures for such productions or infrastructure projects will qualify for the  
30 credits provided for in this Section.

1           (cc) An appeals process in the event that an application for or the  
2           certification of a production or infrastructure project, or an expenditure related  
3           to such production or project, is denied.

4           (ii) Prior to adoption, these rules shall be approved by the House  
5           Committee on Ways and Means and the Senate Committee on Revenue and  
6           Fiscal Affairs. No tax credits shall be granted under this Section until adoption  
7           of such rules.

8           (b) State certification shall not be granted to a production or  
9           infrastructure project by any person or company, or financed by any person or  
10           company, or any company or financier owned, affiliated, or controlled, in whole  
11           or in part, by any company or person, which is in default on a loan made by the  
12           state or a loan guaranteed by the state, or which has ever declared bankruptcy  
13           under which an obligation of the company or person to pay or repay public  
14           funds or monies was discharged as a part of such bankruptcy.

15           (c) When determining which musical or theatrical productions or  
16           musical or theatrical facility infrastructure projects qualify for certification, the  
17           Louisiana Department of Economic Development, the commissioner of  
18           administration, and the office of the governor shall take the following factors  
19           into consideration:

20           (i) The contribution of the production or infrastructure project to  
21           establishing the state as a cultural center for all the classic disciplines in the  
22           performing arts from creation to presentation, for touring productions as well  
23           as local artists.

24           (ii) The impact of the production or infrastructure project on the  
25           employment of Louisiana residents.

26           (iii) The extent to which students in Louisiana colleges, universities, and  
27           vocational-technical schools will have an opportunity to work in a production  
28           in an arts-related position, such as an actor, writer, producer, stage hand, or  
29           director, or as a technician working on aspects of the production such as  
30           lighting, sound, and actual stage work, or working indirectly on the production

1 in accounting, law, management, and marketing.

2 (iv) The impact of the production or infrastructure project on the overall  
3 economy of the state including the manner in which available federal and state  
4 incentives will be utilized in the financing or operation of the infrastructure  
5 project.

6 (v) The availability and kind of musical or theatrical facilities within the  
7 area in which a musical or theatrical facility infrastructure project is proposed  
8 to be located sufficient to provide production and presentation of all the classic  
9 disciplines in the performing arts.

10 (d) Upon approval by the Louisiana Department of Economic  
11 Development, the commissioner of administration, and the office of the  
12 governor, the department shall initially certify a production or project as a  
13 state-certified production or state-certified infrastructure project and send  
14 notice of such certification to the applicant and to the secretary of the  
15 Department of Revenue. The initial certification shall include all of the  
16 following:

17 (i) The total base investment to be expended on the state-certified  
18 production or the state-certified infrastructure project.

19 (ii) The companies and/or financiers to whom the credits shall be  
20 allocated.

21 (iii) The estimated amounts of the credits to be allocated to each.

22 (iv) In the case of state-certified infrastructure projects, when such tax  
23 credits may be taken or transferred.

24 (v) A unique identifying number for the state-certified production or  
25 state-certified infrastructure project.

26 (e) Prior to the final certification of a production or infrastructure  
27 project, the applicant shall submit to the Louisiana Department of Economic  
28 Development a report of the final amount of expenditures qualifying for credits  
29 pursuant to this Section, which report the Louisiana Department of Economic  
30 Development may require to be prepared by an independent certified public

1 accountant. The Louisiana Department of Economic Development shall review  
2 the report and, upon the consent of the commissioner of administration and the  
3 office of the governor, shall issue a final tax credit certification letter, certifying  
4 the applicant and indicating the type and amount of tax credits for which the  
5 applicant or other companies or financiers are eligible pursuant to this Section.

6 (f) An applicant applying for the credits shall be required to reimburse  
7 the Louisiana Department of Economic Development for any audits required  
8 in relation to granting the certification or tax credits.

9 (2)(a) Application. An applicant for the tax credit shall submit an  
10 application for initial certification to the Louisiana Department of Economic  
11 Development that includes the following information:

12 (i) The application for state-certified productions shall include:

13 (aa) A preliminary budget including estimated Louisiana payroll,  
14 estimated transportation expenditures, and estimated base investment,  
15 including the manner in which available federal and state incentives will be  
16 utilized in the financing or operation of the production.

17 (bb) A general description of the production and performance which  
18 may, at the request of the department, include the book, libretto, score, or  
19 concept, and plans for recording and/or filming such production.

20 (cc) A list of the principal creative elements including the cast, musicians,  
21 headline performers, conductor, producer, or director.

22 (dd) A possibility of offering students in Louisiana colleges, universities,  
23 and vocational-technical schools an opportunity to work directly in the  
24 production in an arts-related position, including a description of possible job or  
25 trainee positions working with professional actors, writers, producers, stage  
26 hands, directors, or technicians working on all aspects of the production such  
27 as lighting, sound, and actual stage work, or working indirectly on the  
28 production with professionals in accounting, law, management, and marketing.

29 (ee) Estimated dates for start and completion of rehearsals before paid  
30 performances and the estimated dates of performances in the state.

1                    (ff) Plans, if any, for a national tour or for any performances in other  
2 states.

3                    (gg) The companies and/or financiers to whom the credits shall be  
4 allocated and the estimated amounts of the credits to be allocated to each.

5                    (hh) A discussion of any other reasons why the applicant believes the  
6 production should be considered a state-certified production as defined in this  
7 Section.

8                    (ii) The application for state-certified musical or theatrical facility  
9 infrastructure projects shall include:

10                    (aa) A detailed description of the infrastructure project.

11                    (bb) A preliminary budget, including the manner in which available  
12 federal and state incentives will be utilized in the financing or operation of the  
13 infrastructure project.

14                    (cc) The companies and/or financiers to whom the credits shall be  
15 allocated and the estimated amounts of the credits to be allocated to each.

16                    (dd) A complete, detailed business plan and market analysis.

17                    (b) Additional information may be requested if deemed necessary by the  
18 Louisiana Department of Economic Development.

19                    (3) In addition to the rules and regulations provided for in Subparagraph  
20 (E)(1)(a) of this Section, the secretary of the Louisiana Department of Economic  
21 Development, in consultation with the Department of Revenue, shall adopt and  
22 promulgate such other rules and regulations as are necessary to carry out the  
23 intent and purposes of this Section in accordance with the general guidelines  
24 provided herein.

25                    F.(1) Recapture of credits. If the office of the governor, the Department  
26 of Economic Development, or the Department of Revenue find that funds for  
27 which a taxpayer received credits according to this Section were not expended  
28 for expenditures qualifying for a credit as provided in this Section, then the  
29 taxpayer's state income tax for such taxable period shall be increased by such  
30 amount necessary for the recapture of credit provided by this Section.

1           **(2)(a) Recovery of credits by Department of Revenue. Credits granted**  
2           **to a taxpayer, but later disallowed, may be recovered by the secretary of the**  
3           **Department of Revenue through any collection remedy authorized by R.S.**  
4           **47:1561 and initiated within three years from December thirty-first of the year**  
5           **in which the credit was taken.**

6           **(b) The only interest that may be assessed and collected on recovered**  
7           **credits is interest at a rate three percentage points above the rate provided in**  
8           **R.S. 9:3500(B)(1), which shall be computed from the original date of the return**  
9           **on which the credit was taken.**

10           **(3) The provisions of this Subsection are in addition to and shall not limit**  
11           **the authority of the secretary of the Department of Revenue to assess or to**  
12           **collect under any other provision of law.**

13           **G. The division of administration and the Department of Economic**  
14           **Development shall prepare, with input from the Legislative Fiscal Office, a**  
15           **written report to be submitted to the Senate Committee on Revenue and Fiscal**  
16           **Affairs and the House of Representatives Committee on Ways and Means no**  
17           **less than sixty days prior to the start of the Regular Session of the Legislature**  
18           **in 2008, and every second year thereafter. The report shall include the overall**  
19           **impact of the tax credits, the amount of the tax credits issued, the number of net**  
20           **new jobs created, the amount of Louisiana payroll created, the economic impact**  
21           **of the tax credits and the state-certified musical and theatrical productions and**  
22           **infrastructure projects, the amount of new infrastructure that has been**  
23           **developed in the state, and any other factors that describe the impact of the**  
24           **program.**

25           **H. Fifty percent of the tax credits annually granted according to the**  
26           **provisions of this Section for infrastructure projects shall be reserved for**  
27           **projects located outside of Jefferson and Orleans parishes, provided that the**  
28           **availability of tax credits for infrastructure projects in Jefferson and Orleans**  
29           **parishes shall not be conditioned upon the granting of infrastructure tax credits**  
30           **for projects outside of those parishes.**

1           Section 2. The credits provided for in this Act shall be applicable to expenditures  
2 occurring on or after the effective date of this Act.

3           Section 3. This Act shall become effective upon signature by the governor or, if not  
4 signed by the governor, upon expiration of the time for bills to become law without signature  
5 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
6 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
7 effective on the day following such approval.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_