

Regular Session, 2009

HOUSE BILL NO. 578

BY REPRESENTATIVES RICHMOND, ABRAMSON, ARNOLD, BALDONE, BARRAS, BARROW, BILLIOT, BURRELL, DANAHAY, DIXON, GALLOT, HARDY, HENDERSON, HINES, HOFFMANN, HONEY, GIROD JACKSON, MICHAEL JACKSON, ROSALIND JONES, LAFONTA, MILLS, NOWLIN, PERRY, RITCHIE, JANE SMITH, PATRICIA SMITH, STIAES, AND WILLIAMS AND SENATORS DORSEY AND GRAY EVANS

VETOED
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Veto Message

AN ACT

To amend and reenact R.S. 47:297(K) and (O) and 287.752, to enact R.S. 47:287.786, and to repeal R.S. 47:287.748, relative to state income tax credits to reduce recidivism of persons released from custody in Louisiana; to provide for and increase the individual and corporation income tax credits for the employment of certain persons convicted of certain crimes; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:297(K) and (O) and 287.752 are hereby amended and reenacted and R.S. 47:287.786 is hereby enacted to read as follows:

§297. Reduction to tax due

* * *

K.(1) There shall be a credit against the individual income tax liability due under this Chapter, as provided in this Subsection, for each taxpayer who provides full-time employment to an individual who has been convicted of a ~~first time drug nonviolent~~ offense ~~and who is less than twenty-five years of age at the time of initial employment.~~

(2)(a) The credit shall be ~~two hundred~~ one thousand dollars per taxable year per eligible employee. The credit shall be available for one taxable year per employee.

~~(i) Only one credit is allowed per taxable year per employee.~~

~~(ii) The credit may be received for a maximum of two years per employee.~~

~~(b)~~ (3)(a) The credit shall be available upon certification by the employee's probation officer that the employee has successfully completed a court-ordered drug treatment/rehabilitation program, any other court-ordered program, or graduated from the Department of Public Safety and Corrections' inmate rehabilitation and workforce development program, and has worked one hundred eighty days full time for the employer seeking the credit.

~~(c)~~ (b) The form for applying for the credit shall be determined by the Department of Revenue and such form shall contain a sworn statement executed by both employer and employee certifying the employee's active full-time work status at the time the credit is taken.

~~(d)~~ (4) The secretary of the Department of Revenue shall promulgate such rules and regulations as may be deemed necessary to carry out the purposes of this Subsection.

~~(3)~~ (5) As used in this Subsection, the following terms shall have the following meanings:

~~(a) "Drug offense" means a violation under R.S. 40:961 et seq., the Uniform Controlled Dangerous Substances Law.~~

~~(c)~~ (a) "Eligible employee" and "employee" mean an individual convicted of a first time drug nonviolent offense ~~who is less than twenty-five years of age at the time of initial employment.~~ At the time of his initial employment, he was either on probation or parole, or he had been released from incarceration for no more than three hundred sixty-five days.

(b) "Full-time employment" means working a minimum of ~~thirty~~ thirty-five hours per week.

(c) "Nonviolent offense" means an offense that is not a "crime of violence" as defined in R.S. 14:2(B), nor a sex offense as defined in R.S. 15:541, nor a habitual offense punishable under the provisions of R.S. 15:529.1.

* * *

O. There shall be allowed to an individual who is an employer a credit against the individual income tax imposed by this Chapter for the taxable year the

1 same credits provided for in R.S. 47:287.752 for the full-time employment of
2 individuals who have been convicted of ~~first-time nonviolent~~ felony offenses. The
3 credit shall be the same amount and shall be subject to the same terms and conditions
4 as provided for in that Section. Such individual shall have been released from
5 incarceration for no more than three hundred sixty-five days at the time of his initial
6 employment.

7 * * *

8 §287.752. Tax credit for employment of ~~first-time nonviolent~~ felony offenders

9 A. There shall be a credit against the corporation income tax liability due
10 under this Chapter, as provided in this Section, for each taxpayer who provides full-
11 time employment to an individual who has been convicted of a ~~first-time nonviolent~~
12 felony offense.

13 B.(1) The credit shall be two ~~hundred~~ thousand five hundred dollars per
14 taxable year per eligible employee.

15 (a) Only one credit is allowed per taxable year per employee. No credit may
16 be taken under the provisions of this Section related to a particular employee if a tax
17 credit has been taken under the provisions of R.S. 47:297(K) or 287.786 for that
18 same employee.

19 (b) The credit may be received for a maximum of two years per employee.

20 (2) The credit shall be available upon certification by the employee's
21 probation officer that the employee has successfully completed a court-ordered drug
22 treatment/rehabilitation program or any other court-ordered program and has worked
23 one hundred eighty days ~~full-time~~ full time for the employer seeking the credit.

24 (3)(a) The form for applying for the credit shall be determined by the
25 Department of Revenue and such form shall contain a signed statement executed by
26 both employer and employee certifying the employee's active full-time work status
27 at the time the credit is taken.

28 (b) The secretary of the Department of Revenue shall promulgate such rules
29 and regulations as may be deemed necessary to carry out the purposes of this
30 Section.

C. As used in this Section, the following terms shall have the following meanings:

(1) "Eligible employee" and "employee" mean an individual convicted of a ~~first-time nonviolent~~ felony offense who had been released from incarceration for no more than three hundred sixty-five days at the time of initial employment.

~~(2) "Full-time employment" means working a minimum of thirty hours per week.~~

~~(3) "Nonviolent~~ (2) "Felony offense" means an offense that is ~~not~~ defined as a "crime of violence" pursuant to R.S. 14:2(B).

(3) "Full-time employment" means working a minimum of thirty-five hours per week.

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§287.786. Tax credit for employment of nonviolent offenders

A. There shall be a credit against the corporation income tax liability due under this Chapter, as provided in this Subsection, for each taxpayer who provides full-time employment to an individual who has been convicted of a nonviolent offense.

B. The credit shall be one thousand dollars per taxable year per eligible employee. The credit shall be available for one taxable year per employee.

C. The credit shall be available upon certification by the employee's probation officer that the employee has successfully completed a court-ordered drug treatment/rehabilitation program or any other court-ordered program, and has worked one hundred eighty days full time for the employer seeking the credit. The form for applying for the credit shall be determined by the Department of Revenue and such form shall contain a sworn statement executed by both employer and employee certifying the employee's active full-time work status at the time the credit is taken.

D. The secretary of the Department of Revenue shall promulgate such rules and regulations as may be deemed necessary to carry out the purposes of this Section.

1 E. As used in this Section, the following terms shall have the following
 2 meanings:

3 (1) "Eligible employee" and "employee" mean an individual convicted of a
 4 nonviolent offense. At the time of his initial employment, he was either on probation
 5 or parole, or he had been released from incarceration for no more than three hundred
 6 sixty-five days.

7 (2) "Full-time employment" means working a minimum of thirty-five hours
 8 per week.

9 (3) "Nonviolent offense" means an offense that is not a "crime of violence"
 10 as defined in R.S. 14:2(B), nor a sex offense as defined in R.S. 15:541, nor a habitual
 11 offense punishable under the provisions of R.S. 15:529.1.

12 Section 2. R.S. 47:287.748 is repealed in its entirety.

13 Section 3. The provisions of this Act shall be applicable for taxable periods
 14 beginning on or after January 1, 2009.

 SPEAKER OF THE HOUSE OF REPRESENTATIVES

 PRESIDENT OF THE SENATE

 GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____

VETO MESSAGE

The State of Louisiana continues to face budget challenges for fiscal years 2011 and 2012. Lower revenues to state government and rising mandated state costs, such as the reduction in the federal Medicaid match beginning in fiscal year 2011, create a severe \$1.9 billion projected budget shortfall in two years. As has been widely reported, in times of declining revenues, healthcare and higher education resources are the most vulnerable because they comprise about three quarters of the unprotected discretionary General Fund portion of the budget. While I have signed into law many of the tax credit bills sent to me by the Legislature, the cumulative impact of all the tax credit bills passed during this session could cause the budget to be out of balance and thus require additional reductions in funding, e.g., for priorities like higher education and health care.

House Bill No. 578 increases tax credits for employers who hire certain first-time or nonviolent offenders. While I generally support programs targeted at reducing recidivism, I have concern about the impact of this bill on the ability of unemployed non-offenders in this time of economic uncertainty. In addition, the bill carries a five-year fiscal note of \$750,000. Given the multi-year budget challenges facing the state, I have vetoed House Bill No. 578 and hereby return it to the House of Representatives.