

# ACT No. 298

HOUSE BILL NO. 359

BY REPRESENTATIVES TOWNSEND, ARNOLD, BADON, BALDONE, BURRELL, CURTIS, FARRAR, FAUCHEUX, HEATON, HILL, HONEY, KENNEY, MCDONALD, MONTGOMERY, RICHMOND, RITCHIE, AND JANE SMITH AND SENATOR MURRAY

1 AN ACT

2 To amend and reenact R.S. 47:297.6(A)(1) and (5), 6019(A)(1)(a) and (2)(a), and (B)(1) and  
3 to enact R.S. 47:305.56, relative to tax exemptions and credits; to authorize a sales  
4 and use tax exemption for certain works of art; to increase the tax credit applicable  
5 in certain development districts; to authorize the establishment of cultural product  
6 districts; to provide relative to certain definitions; to authorize a tax credit for the  
7 rehabilitation of historic structures in cultural product districts; to provide for  
8 accountability; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:297.6(A)(1) and (5), 6019(A)(1)(a) and (2)(a), and (B)(1) are  
11 hereby amended and reenacted and R.S. 47:305.56 is hereby enacted to read as follows:

12 §297.6. Reduction to tax due; rehabilitation of residential structures

13 A.(1) There shall be a credit against individual income tax liability due under  
14 this Title for the amount of eligible costs and expenses incurred during the  
15 rehabilitation of an owner-occupied residential or owner-occupied mixed use  
16 structure located in a National Register Historic District, a local historic district, a  
17 Main Street District, a cultural products district, or a downtown development district,  
18 or such owner-occupied residential structure which has been listed or is eligible for  
19 listing on the National Register, or such structure which has been certified by the  
20 State Historic Preservation Office as contributing to the historical significance of the  
21 district, or a vacant and blighted owner-occupied residential structure that is at least  
22 fifty years old. The tax credit authorized pursuant to this Section shall be limited to

1           one credit per structure rehabilitated. The total credit shall not exceed twenty-five  
 2           thousand dollars per structure. In order to qualify for that credit, the rehabilitation  
 3           costs of the structure must exceed twenty thousand dollars. The credit shall be  
 4           calculated using the following percentages of the eligible costs and expenses of the  
 5           rehabilitation based on the adjusted gross income of the owner-occupant. If the  
 6           residential structure is owned and occupied by two or more individuals, the  
 7           applicable percentage shall be based on the sum of the adjusted gross incomes of all  
 8           owner-occupants who contribute to the rehabilitation, and the credit will be divided  
 9           between the owner-occupants in proportion to their contribution to the eligible costs  
 10          and expenses, unless they agree to an alternate division as follows:

11                   (a) If the adjusted gross income is less than or equal to fifty thousand dollars,  
 12                   the credit shall be twenty-five percent of the eligible costs and expenses of the  
 13                   rehabilitation.

14                   (b) If the adjusted gross income is greater than fifty thousand dollars and less  
 15                   than or equal to seventy-five thousand dollars, the credit shall be twenty percent of  
 16                   the eligible costs and expenses of the rehabilitation.

17                   (c) If the adjusted gross income is greater than seventy-five thousand dollars  
 18                   and less than or equal to one hundred thousand dollars, the credit shall be fifteen  
 19                   percent of the eligible costs and expenses of the rehabilitation.

20                   (d) If the adjusted gross income is greater than one hundred thousand dollars,  
 21                   the credit is only available for the rehabilitation of a vacant and blighted owner-  
 22                   occupied residential structure that is at least fifty years old, and the credit shall be ten  
 23                   percent of the eligible costs and expenses of the rehabilitation.

24   \*       \*       \*

25                   (5) The maximum amount of tax credits allowed by the State Historic  
 26                   Preservation Office to be granted in any calendar year shall not exceed ~~one~~ ten  
 27                   million dollars. The granting of credits under this Section shall be on a first-come,  
 28                   first-served basis. If the total amount of credits applied for in any particular year

1 exceeds the aggregate amount of tax credits allowed for that year, the excess will be  
2 treated as having been applied for on the first day of the subsequent year.

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4 §305.56. Exemptions; sale of art work

5 A. The sales and use taxes imposed by the state of Louisiana or any of its  
6 political subdivisions shall not apply to the sale of original, one-of-a-kind works of  
7 art from an established location within the boundaries of a cultural product district.

8 B. For purposes of this Section, the following phrases shall have the  
9 following meanings:

10 (1) "Cultural product district" shall mean a district designated by a local  
11 governing authority in accordance with law for the purpose of revitalizing a  
12 community by creating a hub of cultural activity, including affordable artist housing  
13 and work space. The Department of Culture, Recreation and Tourism shall develop  
14 standard criteria for cultural product districts. Such criteria shall include that the  
15 district shall be geographically contiguous and distinguished by cultural resources  
16 that play a vital role in the life and cultural development of a community. The  
17 district shall focus on a cultural compound, a major art institution, art and  
18 entertainment businesses, an area with arts and cultural activities or cultural or  
19 artisan production and be engaged in the promotion, preservation, and educational  
20 aspects of the arts and culture of the locale, and contribute to the public through  
21 interpretive and educational uses. The Department of Culture, Recreation and  
22 Tourism may determine whether or not a district complies with this definition.

23 (2) "Works of art" shall mean visual arts and crafts including but not limited  
24 to paintings, photographs, sculpture, pottery, and traditional or fine crafts. The  
25 Department of Culture, Recreation and Tourism may determine whether or not an  
26 item meets this definition as well as whether the item is "original, one-of-a-kind"  
27 work.

28 C.(1) The local governing authority shall prepare a written report to be  
29 submitted to the Department of Culture, Recreation and Tourism by January 1, 2011,  
30 and every second year thereafter, outlining the overall impact of the tax exemptions



