

Revenue Information Bulletin No. 22-009
April 30, 2022
Income Tax
Franchise Tax

Youth Jobs Tax Credit
Act 454 of the 2021 Regular Session

Act 454 of the 2021 Regular Session of the Louisiana Legislature authorizes the Louisiana Youth Jobs Tax Credit (“Youth Jobs”), as provided in [R.S. 47:6028](#). The purpose of this bulletin is to provide guidance concerning eligibility and application for the credit.

General Overview

The Youth Jobs credit provides a one-time nonrefundable income and franchise tax credit for each “eligible youth” hired on or after July 1, 2021 by a business. The non-refundable credit is equal to \$750 for each part-time position (at least 20 hours but less than 32 hours), and \$1,250 for each full-time position (at least 32 hours per week). If the amount of the credit earned by a business exceeds its tax liability, any unused portion of the credit earned may be carried forward by the business for a period not to exceed five years.

Qualifications

Eligible businesses must employ a person who (1) meets the definition of an “eligible youth” on or after July 1, 2021; and (2) has worked in a full-time or part-time position for at least three consecutive months at the business. For purposes of the credit, an “eligible youth” is defined as an individual who:

1. Is between the ages of 16 to 23;
2. Is unemployed prior to being hired by the business;
3. Is working in a full-time or part-time position that pays wages that are equivalent to the wages paid for similar jobs, with adjustments for experience and training; and
4. Meets at least one of the qualifications listed in [R.S. 47:6028\(B\)\(2\)\(d\)\(i\)-\(xii\)](#).

The credit is earned in the year in which the eligible youth completes the third consecutive month of work in either a full-time or part-time position.

Application

Businesses must apply annually for eligible youths hired in the previous year, and the Department will determine eligibility for the credit on the front end. Then, the business may claim the credit when its state tax return is filed; alternatively, if the business is taxed as a

A Revenue Information Bulletin (RIB) is issued under the authority of LAC 61:III.101 (D). A RIB is an informal statement of information issued for the public and employees that is general in nature. A RIB does not have the force and effect of law and is not binding on the public or the Department.

pass-through entity, the owners, shareholders, or members may claim the credit on their individual income tax return. Pass-through entities should determine the pro rata credit amount per individual recipient in the notes to IRS Schedules K-1.

The application period for calendar year 2021 began on March 1, 2022 and was originally set to conclude on April 30, 2022. However, a one month extension has been authorized. **Businesses have until May 31, 2022, to apply for the Youth Jobs credit for the 2021 calendar year.**

To apply, businesses must submit [Form R-90004](#), *Louisiana Youth Jobs Tax Credit Application* to the Department for review. Each application must include an employee-completed [Form R-90004-B](#), *Louisiana Youth Jobs Tax Credit Employee Certification* for each employee claimed. On this form, the qualifying employee will list the date of birth, date of hire, and certification as to which qualification(s) apply, as well as all other required information.

For the 2022 application period, the Department will review and provide notice to each applicant whether the application has been approved or denied as to each eligible youth, no later than July 1, 2022. Upon approval, businesses must maintain supporting documentation which can be provided upon the request of the Department.

Credit Cap

Beginning with the March 1, 2022 to May 31, 2022, application period, Act 454 provides a \$5 million per calendar year credit cap on the amount of Youth Jobs credits. For cap administrative purposes, applications will be approved by the Department on a first-come, first-served basis as determined by the received date of a completed Louisiana Youth Jobs Tax Credit Application. An application is not considered complete until all information requested by the Department has been received. All applications received on the same business day shall be treated as received at the same time, and if the aggregate amount of requests received on the same business day exceeds the total amount of available tax credits, tax credits shall be approved on a pro rata basis.

For additional information concerning the Youth Jobs credit, visit the [Youth Jobs Credit section](#) of the LDR Website.

Kevin J. Richard, CPA
Secretary