

2016 First Extraordinary Session

HOUSE BILL NO. 123

BY REPRESENTATIVE HUNTER

TAX EXEMPTIONS: Provides for suspension of certain tax exemptions during periods of financial exigency (Item #36)

1 AN ACT

2 To enact R.S. 47:1525, relative to tax exemptions; to provide for suspension of certain tax
3 exemptions during periods of financial exigency; to provide for definitions; to
4 provide for effectiveness; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:1525 is hereby enacted to read as follows:

7 §1525. Tax exemptions; mandatory suspension; financial exigency

8 A. For purposes of this Section, "financial exigency" shall mean the periods
9 of time during which the state is operating in a budget deficit. When the state is in
10 financial exigency, the secretary of the Department of Revenue shall suspend the
11 following tax exemptions:

12 (1) All statutory state sales tax exemptions authorized pursuant to Chapter
13 2 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950.

14 (2) All statutory refundable income and corporation franchise tax credits
15 authorized pursuant to Subtitles II and VII of Title 47 of the Louisiana Revised
16 Statutes of 1950, except for R.S. 47:297.8 and those authorized pursuant to Chapter
17 2 of Subtitle VII of Title 47 of the Louisiana Revised Statutes of 1950.

18 (3) Net operating loss deduction pursuant to R.S. 47:287.86.

19 (4) Excess federal itemized personal deductions pursuant to R.S. 47:293(3).

20 (5) Dealer compensation pursuant to R.S. 47:306(A)(3).

21 (6) Discounts for licensed tobacco dealers pursuant to R.S. 47:843(B) and
22 (C)(3) and 851(B)(4)(b).

1 (7) Discounts for remitting excise taxes on certain alcoholic beverages
2 pursuant to R.S. 26:345 and 354(D).

3 B. Tax exemptions suspended pursuant to the provisions of this Section shall
4 remain suspended until such time that the state is no longer in financial exigency.

5 No tax exemption disallowed pursuant to the provisions of this Section shall be
6 allowed to be claimed on a late or amended tax return in any tax year subsequent to
7 termination of the suspension.

8 Section 2. The provisions of this Act shall become effective April 1, 2016.

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)]

HB 123 Original

2016 First Extraordinary Session

Hunter

Abstract: Suspends certain tax exemptions during periods of financial exigency.

Proposed law defines "financial exigency" as the period of time during which the state is operating in a budget deficit.

Proposed law directs the secretary of the Dept. of Revenue to suspend during financial exigency the following tax exemptions:

- (1) All statutory state sales tax exemptions authorized pursuant to Chapter 2 of Subtitle II of Title 47 of the La. R.S. of 1950.
- (2) All statutory refundable income and corporation franchise tax credits authorized pursuant to Subtitles II and VII of Title 47 of the La. R.S. of 1950, except for the Earned Income tax credit and the School Readiness tax credits.
- (3) Net operating loss deduction pursuant to R.S. 47:287.86.
- (4) Excess federal itemized personal deductions pursuant to R.S. 47:293(3).
- (5) Dealer compensation pursuant to R.S. 47:306(A)(3).
- (6) Discounts for licensed tobacco dealers pursuant to R.S. 47:843(B) and (C)(3) and 851(B)(4)(b).
- (7) Discounts for remitting excise taxes on certain alcoholic beverages pursuant to R.S. 26:345 and 354(D).

Proposed law prohibits a taxpayer from claiming a disallowed tax exemption on a late or amended return after the period of suspension terminates.

Effective April 1, 2016.

(Adds R.S. 47:1525)