2018 Second Extraordinary Session

ACT No. 6

HOUSE BILL NO. 18

1

BY REPRESENTATIVE JACKSON

2	To amend and reenact R.S. 47:33(A)(5) and 297.8(A) and Section 4 of Act No. 109 of the
3	2015 Regular Session of the Legislature, to enact R.S. 47:33(A)(7), relative to
4	individual income tax credits and deductions; to repeal provisions providing for an
5	increase in the credit for taxes paid to other states; to limit the amount of the credit;
6	to authorize a deduction of income taxes paid to other states under certain
7	circumstances; to increase the earned income tax credit under certain circumstances;
8	to provide for effectiveness; and to provide for related matters.
9	Be it enacted by the Legislature of Louisiana:
10	Section 1. R.S. 47:33(A)(5) and 297.8(A) are hereby amended and reenacted and
11	R.S. 47:33(A)(7) is hereby enacted to read as follows:
12	§33. Credit for taxes paid in other states
13	A. Subject to the following conditions, resident individuals shall be allowed
14	a credit against the taxes imposed by this Chapter for net income taxes imposed by
15	and paid to another state on income taxable under this Chapter, provided that:
16	* * *
17	(5)(a) The credit shall be limited to the amount of Louisiana income tax that
18	would have been imposed if the income earned in the other state had been earned in
19	Louisiana.
20	(b) The credit shall not be allowed for tax paid on income that is not subject
21	to tax in Louisiana. The amount of the credit shall not exceed the ratio which shall
22	be determined by multiplying the taxpayer's Louisiana income tax liability before
23	consideration of any credit described in this Section by a fraction, the numerator of
24	which is the taxpayer's Louisiana tax table income attributable to other states to

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1	which het income taxes were paid by a resident individual, and the denominator of
2	which is total Louisiana tax table income.
3	* * *
4	(7)(a) For taxes paid on or after January 1, 2018, an individual partner,
5	member, or shareholder that pays another state's entity-level tax that is based solely
6	upon net income included in the entity's federal taxable income without any capital
7	component shall be allowed a deduction equal to their proportionate share of the
8	entity-level tax paid.
9	(b) The deduction pursuant to this Paragraph shall be allowed only to the
10	extent that the proportionate share of the related income on the tax paid to the other
1	state is included in the calculation of Louisiana taxable income that is reported on
12	the Louisiana return of the individual partner or member.
13	* * *
14	§297.8. Earned income tax credit
15	A. There (1) Except as provided in Paragraph (A)(2) of this Subsection, there
16	shall be a credit against the tax imposed by this Chapter for individuals in an amount
17	equal to three and one-half percent of the federal earned income tax credit for which
18	the individual is eligible for the taxable year under Section 32 of the Internal
19	Revenue Code.
20	(2) For tax years beginning on and after January 1, 2019, through December
21	31, 2025, there shall be a credit against the tax imposed by this Chapter for
22	individuals in an amount equal to five percent of the federal earned income tax credit
23	for which the individual is eligible for the taxable year under Section 32 of the
24	Internal Revenue Code.
25	* * *
26	Section 2. Section 4 of Act No. 109 of the 2015 Regular Session of the Legislature
27	is hereby amended and reenacted to read as follows:
28	* * *
29	Section 4. The provisions of Sections 1 and 3 of this Act shall become
30	effective on July 1, 2015, and shall remain effective through June 30, 2018 June 30,

1 2023, at which time the provisions of Sections 1 and 3 of this Act shall become null, 2 void, and of no effect. The provisions of Section 4 of this Act shall become effective on July 1, 2015. The provisions of Section 2 of this Act shall become effective on 3 4 July 1, 2018 July 1, 2023. 5 Section 3. This Act shall become effective upon signature by the governor or, if not 6 signed by the governor, upon expiration of the time for bills to become law without signature 7 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If 8 vetoed by the governor and subsequently approved by the legislature, this Act shall become 9 effective on the day following such approval. SPEAKER OF THE HOUSE OF REPRESENTATIVES PRESIDENT OF THE SENATE GOVERNOR OF THE STATE OF LOUISIANA

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APPROVED: ____