

2017 Regular Session

SENATE BILL NO. 172

BY SENATOR MORRELL

TAX/TAXATION. Terminates certain tax credits as of January 1, 2019. (gov sig)

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AN ACT

To amend and reenact R.S. 47:227 as amended by Section 2 of Act No. 125, of the 2015 Regular Session of the Legislature, R.S. 47:297.2, 6015(J), and 6019(A)(1)(a) and to enact R.S. 25:1226.4(D), R.S. 47:34(F), 37(I), 287.748(D), 287.749(E), 287.752(D), 287.755(I), 297(Q), 297.4(C), 297.9(D), 6006(F), 6025(E), 6032(I), 6035(I), 6104(E), 6105(C), 6106(F), and 6107(D), and to repeal R.S. 47:227 as amended by Section 5 of Act 125 of the 2015 Regular Session of the Legislature, relative to tax credits; to provide for the sunset of certain tax credits; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 25:1226.4(D) is hereby enacted to read as follows:

§1226.4. Tax exemptions and credits

* * *

D. Beginning January 1, 2020, no contracts shall be entered into for credits pursuant to the provisions of this Section.

* * *

Section 2. R.S. 47:227 as amended by Section 2 of Act No. 125 of the 2015 Regular

1 Session of the Legislature, R.S. 47:297.2, 6015(J), and 6019(A)(1)(a) are hereby amended
2 and reenacted and R.S. 25:1226.4(D), R.S. 47:34(F), 37(I), 287.748(D), 287.749(E),
3 287.752(D), 287.755(I), 297(Q), 297.4(C), 297.9(D), 6006(F), 6025(E), 6032(I), 6035(I),
4 6104(E), 6105(C), 6106(F), and 6107(D) are hereby enacted to read as follows:

5 §34. Corporation tax credit

6 * * *

7 **F. The credit provided for pursuant to the provisions of this Section**
8 **shall terminate and shall have no effect beginning January 1, 2020.**

9 * * *

10 §37. Tax credit for contributions to educational institutions

11 * * *

12 **I. The credit provided for pursuant to the provisions of this Section shall**
13 **terminate and shall have no effect beginning January 1, 2020.**

14 * * *

15 §227. Offset against tax

16 **A.** Every insurance company shall be entitled to an offset against any tax
17 incurred under this Chapter, in the amount of any taxes, based on premiums, paid by
18 it during the preceding twelve months, by virtue of any law of this state. ~~Beginning~~
19 ~~on and after July 1, 2015, the offset shall be equal to seventy-two percent of the~~
20 ~~amount of any taxes, based on premiums.~~

21 **B. The offset provided for pursuant to the provisions of this Section shall**
22 **terminate and shall have no effect beginning January 1, 2022.**

23 * * *

24 §287.748. Corporation tax credit; re-entrant jobs credit

25 * * *

26 **D. The credit provided for pursuant to the provisions of this Section**
27 **shall terminate and shall have no effect beginning January 1, 2020.**

28 * * *

29 §287.749. Jobs credit

* * *

E. The credit provided for pursuant to the provisions of this Section shall terminate and shall have no effect beginning January 1, 2020.

* * *

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

* * *

D. The credit provided for pursuant to the provisions of this Section shall terminate and shall have no effect beginning January 1, 2020.

* * *

§287.755. Tax credit for contributions to educational institutions

* * *

I. The credit provided for pursuant to the provisions of this Section shall terminate and shall have no effect beginning January 1, 2020.

* * *

§297. Reduction to tax due

* * *

Q. The credits provided for pursuant to the provisions of this Section shall terminate and shall have no effect beginning January 1, 2020.

* * *

§297.2. Reduction to tax due

A. A person who maintains a household ~~which~~ **that** includes one or more dependents who are physically or mentally incapable of caring for themselves may take as a credit against the state income tax imposed by this Part the full amount of a tax credit equal to the applicable percentage of employment-related expenses allowable pursuant to Section 21 of the Internal Revenue Code. Any tax credit otherwise allowed under this Section ~~which~~ **that** is not used by the taxpayer in a particular year may be carried forward and offset against the taxpayer's tax liability for the next succeeding tax year.

B. The credit provided for pursuant to the provisions of this Section

1 **shall terminate and shall have no effect beginning January 1, 2020.**

2 * * *

3 §297.4. Reduction to tax due; certain child care expenses

4 * * *

5 **C. The credit provided for pursuant to the provisions of this Section**
6 **shall terminate and shall have no effect beginning January 1, 2020.**

7 * * *

8 §297.9. Reduction to tax due; amounts paid by certain military service members
9 and dependents for certain hunting and fishing licenses

10 * * *

11 **D. The credit provided for pursuant to the provisions of this Section**
12 **shall terminate and shall have no effect beginning January 1, 2020.**

13 * * *

14 §6006. Tax credits for local inventory taxes paid

15 * * *

16 **F. The credit provided for pursuant to the provisions of this Section**
17 **shall terminate and shall have no effect beginning January 1, 2022.**

18 * * *

19 §6019. Tax credit; rehabilitation of historic structures

20 A.(1)(a) There shall be a credit against income and corporation franchise tax
21 for the amount of eligible costs and expenses incurred during the rehabilitation of a
22 historic structure located in a downtown development or a cultural district. The
23 amount of the credit shall equal twenty-five percent of the eligible costs and
24 expenses of the rehabilitation incurred prior to January 1, 2018, regardless of the
25 year in which the property is placed in service. The amount of the credit shall equal
26 twenty percent of the eligible costs and expenses of the rehabilitation incurred on or
27 after January 1, 2018 **and before January 1, 2022**, regardless of the year in which
28 the property is placed in service. **No credit is authorized pursuant to this Section**
29 **for expenses incurred on or after January 1, 2022.**

1 * * *

2 §6025. Tax credit for Louisiana Citizens Property Insurance Corporation assessment

3 * * *

4 **E. The credit provided for pursuant to the provisions of this Section**
5 **shall terminate and shall have no effect beginning January 1, 2020.**

6 * * *

7 §6032. Tax credit for certain milk producers

8 * * *

9 **I. The credit provided for pursuant to the provisions of this Section shall**
10 **terminate and shall have no effect beginning January 1, 2022.**

11 * * *

12 §6035. Tax credit for conversion of vehicles to alternative fuel usage

13 * * *

14 **I. The credit provided for pursuant to the provisions of this Section shall**
15 **terminate and shall have no effect beginning January 1, 2022.**

16 * * *

17 §6104. Child care expense tax credit

18 * * *

19 **E. The credit provided for pursuant to the provisions of this Section**
20 **shall terminate and shall have no effect beginning January 1, 2022.**

21 §6105. Child care provider tax credit

22 * * *

23 **C. The credit provided for pursuant to the provisions of this Section**
24 **shall terminate and shall have no effect beginning January 1, 2022.**

25 §6106. Credit for child care directors and staff

26 * * *

27 **F. The credit provided for pursuant to the provisions of this Section**
28 **shall terminate and shall have no effect beginning January 1, 2022.**

29 §6107. Business-supported child care

* * *

D. The credit provided for pursuant to the provisions of this Section shall terminate and shall have no effect beginning January 1, 2022.

Section 3. R.S. 47:227 as amended by Section 5 of Act No. 125 of the 2015 Regular Session of the Legislature is hereby repealed.

Section 4. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

The original instrument was prepared by James Benton. The following digest, which does not constitute a part of the legislative instrument, was prepared by Thomas L. Tyler.

DIGEST

SB 172 Engrossed

2017 Regular Session

Morrell

Proposed law sunsets the following income and corporation franchise tax credits beginning January 1, 2020:

- (1) R.S. 25:1226.4 Atchafalaya Trace Heritage Area Development Zone tax credit
- (2) R.S. 47:34 Corporation tax credit
- (3) R.S. 47:37 Tax credit for contributions to educational institutions
- (4) R.S. 47:287.748 Corporation tax credit; re-entrant jobs credit
- (5) R.S. 47:287.749 Jobs credit
- (6) R.S. 47:287.752 Credit for employment of first-time nonviolent offenders
- (7) R.S. 47:287.755 Credit for contributions to educational institutions
- (8) R.S. 47:297 Reduction to tax for taxpayer, spouse, or dependent who is deaf, blind, mentally incapacitated or has lost the use of one limb
- (9) R.S. 47:297.2 Reduction to tax due to person maintaining a household where one or more dependents is physically or mentally incapable of caring for themselves
- (10) R.S. 47:297.9 Credits for certain military servicemembers and dependents for hunting and fishing licenses
- (11) R.S. 47:6025 Credit for La. Citizens Property Insurance Corp. assessment

Proposed law sunsets the following income and corporation franchise tax credits beginning January 1, 2022:

- (1) R.S. 47:227 Offset against tax based on insurance premiums.
- (2) R.S. 47:297.4 Credit for certain child care expenses.
- (3) R.S. 47:6006 Credits for local inventory taxes paid.
- (4) R.S. 47:6019 Tax credit; rehabilitation of historic structures.
- (5) R.S. 47:6032 Credit for certain milk producers.
- (6) R.S. 47:6035 Credit for conversion of vehicles to alternative fuel usage.
- (7) R.S. 47:6104 Child care expense tax credit.
- (8) R.S. 47:6105 Child care provider tax credit.
- (9) R.S. 47:6106 Credit for child care directors and staff.
- (10) R.S. 47:6107 Business-supported child care.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 47:227, as amended by §5 of Acts 2015 , No. 125, R.S. 47:297.2, 6015(J), 6019(A)(1)(a); adds R.S. 25:1226.4(D), R.S. 47:34(F), 37(I), 287.748(D), 287.749(E), 287.752(D), 287.755(I), 297(Q), 297.4(C), 297.9(D), 6006(F), 6025(E), 6032(I), 6035(I), 6104(E), 6105(C), 6106(F), and 6107(D); repeals R.S. 47:227 as amended by §2 of Acts 2015, No. 125)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the engrossed bill

1. Extends the sunset dates for some credits from January 1, 2019 to January 1, 2020.
2. Extends the sunset dates for some credits from January 1, 2019 to January 1, 2022.
3. Deletes various credits from sunset provisions entirely.
4. Adds emergency effective date clause.