SLS 17RS-43 ORIGINAL

2017 Regular Session

SENATE BILL NO. 51

BY SENATOR PEACOCK

TAX/TAXATION. Requires a credit to be given on income taxes for franchise taxes paid in another state. (gov sig)

AN ACT 1 2 To enact R.S. 47:33(B), relative to the credit for taxes paid in other states; to allow the credit 3 for entity level taxes based on gross income paid on behalf of Louisiana residents; to provide for an effective date; and to provide for related matters. 4 5 Be it enacted by the Legislature of Louisiana: 6 Section 1. R.S. 47:33(B) is hereby enacted to read as follows: 7 §33. Credit for taxes paid in other states 8 9 **B.** Notwithstanding the provisions of Subsection A of this Section to the 10 contrary, resident individual partners or members of an entity that pays an 11 entity level tax in another state based upon income included in the entity's federal gross income shall be allowed the credit for their proportionate share 12 13 of the entity level tax paid in the other state on or after January 1, 2017. 14 Section 2. 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 15 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If 16 vetoed by the governor and subsequently approved by the legislature, this Act shall become 17

1 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

DIGEST

SB 51 Original

2017 Regular Session

Peacock

<u>Present law</u> provides an individual income tax credit for income taxes paid in other states on net income that is taxable both in this state and another state.

<u>Proposed law</u> authorizes the credit for an individual taxpayer's proportionate share of an entity level tax paid in another state based upon income included in the entity's federal gross income paid on or after Jan. 1, 2017.

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

(Adds R.S. 47:33(B))