

2020 Second Extraordinary Session

HOUSE BILL NO. 37

BY REPRESENTATIVE BEAULLIEU

TAX CREDITS: Authorizes an income tax credit for certain businesses whose operations were interrupted as a result of the COVID-19 pandemic (Items #26 and 65)

1 AN ACT

2 To enact R.S. 47:6041, relative to income tax credits; to authorize an income tax credit for  
3 certain businesses; to provide for the amount of the credit; to provide for  
4 requirements and limitations; to authorize the carryforward of unused amounts of the  
5 credit; to provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:6041 is hereby enacted to read as follows:

8 §6041. Tax credits for restaurants and bars affected by the COVID-19 pandemic;  
9 2020 tax year

10 A. There shall be allowed a credit against Louisiana income tax for the  
11 amount of annual state license or permit fees imposed by the commissioner of  
12 alcohol and tobacco control and paid by the owners or operators of restaurant  
13 establishments and establishments licensed to sell or serve alcoholic beverages for  
14 consumption on their premises by paying customers. In order for a taxpayer to be  
15 eligible for the credit authorized in this Section, the income derived from sales made  
16 by the taxpayer's business in 2020 must be less than the income derived from sales  
17 made by the taxpayer's business in 2019 as a result of the operations of the business  
18 being interrupted by the COVID-19 pandemic. The secretary of the Department of  
19 Revenue may require a taxpayer to provide documentation evidencing this fact when

1 claiming the credit. The taxpayer authorized to claim the credit provided for in this  
2 Section shall be the taxpayer who paid the license or permit fees.

3 B. The amount of the credit shall equal the amount of the annual state license  
4 or permit fee for calendar year 2020. The provisions of this Section shall also apply  
5 to the renewal of annual state licenses or permits imposed by the commissioner of  
6 alcohol and tobacco control for calendar year 2020. If a license or permit is issued  
7 on a two-year basis, the amount of the credit authorized pursuant to the provisions  
8 of this Section shall be the equivalent of one-half of the total license or permit fee  
9 if any part of the license or permit authorized the business to be operational during  
10 calendar year 2020.

11 C. Unused amounts of the tax credit may be carried forward as a tax credit  
12 against subsequent Louisiana income tax liability for a period not to exceed five  
13 years.

14 Section 2. This Act shall become effective upon signature by the governor or, if not  
15 signed by the governor, upon expiration of the time for bills to become law without signature  
16 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
17 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
18 effective on the day following such approval.

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#### 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)]

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HB 37 Original

2020 Second Extraordinary Session

Beaullieu

**Abstract:** Authorizes an income tax credit for the amount of annual state license or permit fees imposed by the commissioner of alcohol and tobacco control paid by the owners of restaurants and bars whose sales for calendar year 2020 were affected by the COVID-19 pandemic.

Proposed law authorizes an income tax credit for the amount of annual state license or permit fees imposed by the commissioner of alcohol and tobacco control and paid by the owners or operators of restaurant establishments and establishments licensed to sell or serve alcoholic beverages for consumption on their premises by paying customers.

Proposed law provides that in order for a taxpayer to be eligible for the credit, the income derived from sales made by the taxpayer's business in 2020 must be less than the income derived from sales made by the taxpayer's business in 2019 as a result of the operations of

the business being interrupted by the COVID-19 pandemic. Further authorizes the secretary of the Dept. of Revenue to require a taxpayer to provide documentation evidencing this fact when claiming the credit.

Proposed law provides that the amount of the credit shall equal the amount of the annual state license or permit fee for calendar year 2020. The renewal of annual state licenses or permits for calendar year 2020 shall also be eligible for the tax credit. If a license or permit is issued on a two-year basis, the amount of the credit shall be the equivalent of one-half of the total license or permit fee if any part of the license or permit authorized the business to be operational during calendar year 2020.

Proposed law provides that unused amounts of the tax credit may be carried forward as a tax credit against subsequent Louisiana income tax liability for a period not to exceed five years.

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

(Adds R.S. 47:6041)