
DIGEST

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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)