

## RÉSUMÉ DIGEST

ACT 109 (HB 402)

2015 Regular Session

Stokes

Existing law authorizes an individual income tax credit in an amount equal to income taxes which were paid for the same taxable period to another state on income which is subject to La. tax.

Prior law did not provide for any limitation on the amount of the credit up to the amount of taxes paid in another state.

New law limits the amount of the credit to the amount of La. income tax that would have been imposed if the income earned in the other state would have been earned in La.

Existing law provides for certain conditions regarding the claim of the credit.

New law imposes conditions on eligibility for the credit as follows:

- (1) The credit is allowed if the other state provides a similar credit for La. income taxes paid on income derived from property located in La., services rendered in La., and business transacted in La.
- (2) The credit is not allowed for taxes paid to a state that allows a nonresident a credit against the income taxes imposed by that state for taxes paid or payable to the state of residence.

New law is repealed on July 1, 2018.

New law provides that any portion of a credit not allowed pursuant to new law that is claimed on a tax return filed after July 1, 2015, pursuant to an extension of time to file granted prior to July 1, 2015, shall be allowed as follows: One-third of any such credit may be taken as a credit in each of the taxpayer's tax years beginning during calendar years 2017, 2018, and 2019.

Effective July 1, 2015, and applicable to all claims for the tax credit on any tax return filed on or after July 1, 2015, regardless of the taxable year to which the return relates, with the exception of an amended return timely filed on or after July 1, 2015, that relates to a claim for the credit not allowed pursuant to new law on an original return that was filed prior to July 1, 2015.

(Adds R.S. 47:33(A)(4)-(7))