

2017 Regular Session

SENATE BILL NO. 79

BY SENATOR LUNEAU

TAX/TAXATION. Removes the June 30, 2018, sunset provision and makes permanent reductions to certain income and corporation franchise tax credits. (gov sig)

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AN ACT

To amend and reenact R.S. 47:227 and Section 8 of Act No. 125 of the 2015 Regular Session of the Legislature as amended by Section 2 of Act No. 29 of the 2016 First Extraordinary Session of the Legislature and to repeal Sections 4, 5, and 6 of Act No. 125 of the 2015 Regular Session of the Legislature, relative to income and corporation franchise tax credits; to eliminate the termination of reductions previously enacted; to restore the corporate income tax credit for state insurance premium tax paid; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. Section 8 of Act No. 125 of the 2015 Regular Session of the Legislature as amended by Section 2 of Act No. 29 of the 2016 First Extraordinary Session of the Legislature is hereby amended and reenacted to read as follows:

Section 8.~~(A)~~ The provisions of Sections 1, 2, and 3 of this Act shall become effective on July 1, 2015. ~~In the event the Act that originated as House Bill No. 62 of the 2016 First Extraordinary Session of the Legislature is enacted and becomes effective, the provisions of Sections 1, 2, and 3 of this Act shall remain in effect through the termination date in the Act that originated as House Bill No. 62 of the~~

1 ~~2016 First Extraordinary Session of the Legislature.~~

2 (B) ~~The provisions of Sections 4, 5, and 6 of this Act shall become effective~~
3 ~~upon the termination date of Sections 1, 2, and 3 of this Act, as provided in this~~
4 ~~Section.~~

5 Section 2. R.S. 47:227 is hereby amended and reenacted to read as follows:

6 §227. Offset against tax

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

12 Section 3. Sections 4, 5, and 6 of Act No. 125 of the 2015 Regular Session of the
13 Legislature are hereby repealed in their entirety.

14 Section 4. 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.

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

DIGEST

SB 79 Engrossed

2017 Regular Session

Luneau

Present law provides for a three-year 28% reduction of the following income and corporation
franchise tax credits effective through June 30, 2018:

- (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. 47:35 Neighborhood assistance tax credit
- (4) R.S. 47:37 Credit for contributions to educational institutions
- (5) R.S. 47:265 Credits arising from refunds by utilities
- (6) R.S. 47:287.664 Credits arising from refunds by utilities

- (7) R.S. 47:287.748 Corporation tax credit; re-entrant jobs credit
- (8) R.S. 47:287.749 Jobs credit
- (9) R.S. 47:287.752 Credit for employment of first-time nonviolent offenders
- (10) R.S. 47:287.753 Neighborhood assistance tax credit
- (11) R.S. 47:287.755 Credit for contributions to educational institutions
- (12) R.S. 47:287.758 Credit for bone marrow donor expense
- (13) R.S. 47:287.759 Credit for employee and dependent health insurance coverage
- (14) R.S. 47:297 Miscellaneous income tax credits for individuals
- (15) R.S. 47:297.6 Credit for rehabilitation of residential structures
- (16) R.S. 47:297.9 Certain military service members and dependents hunting and fishing licenses
- (17) R.S. 47:6004 Employer Credit
- (18) R.S. 47:6005 Qualified new recycling manufacturing equipment and service contracts
- (19) R.S. 47:6008 Credit for donations to assist playgrounds in economically depressed areas
- (20) R.S. 47:6009 Louisiana Basic Skills Training Tax Credit
- (21) R.S. 47:6012 Employer tax credits for donations of materials, equipment, advisors, or instructors
- (22) R.S. 47:6013 Credit for donations to public schools
- (23) R.S. 47:6017 Credit for expenses paid by economic development corporations
- (24) R.S. 47:6018 Credit for purchasers from "PIE contractors"
- (25) R.S. 47:6020 Angel Investor tax credit program
- (26) R.S. 47:6022 Digital interactive media and software tax credit
- (27) R.S. 47:6023 Sound recording investor tax credit
- (28) R.S. 47:6025 Credit for La. Citizens Property Insurance Corp. assessment
- (29) R.S. 47:6026 Cane River heritage tax credit
- (30) R.S. 47:6032 Credit for certain milk producers
- (31) R.S. 47:6034 Musical and theatrical production income tax credit
- (32) R.S. 47:6035 Credit for conversion of vehicles to alternative fuel usage
- (33) R.S. 47:6037 Credit for "green job industries"

- (34) R.S. 51:1807 Incentives (Urban Revitalization)
- (35) R.S. 51:2354 Technology commercialization credit
- (36) R.S. 51:2399.3 Modernization tax credit

Proposed law repeals the three-year sunset on the 28% reductions to tax credits in Acts 2015, No. 125 as amended by Acts 2016, 1st E.S., No. 29, other than the reduction for the insurance premium tax offset against corporation income tax, thereby making the reductions permanent.

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

(Amends Acts 2015, No. 125 §8 as amended by Acts 2016 1st E.S., No. 29 §2; repeals Acts 2015, No. 125 §4, 5, and 6)

Summary of Amendments Adopted by Senate

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

1. Permanently removes the 28% reduction from the offset against the corporate income tax for insurance premium tax paid.