

2015 Regular Session

HOUSE BILL NO. 788

BY REPRESENTATIVE JAY MORRIS

TAX/INCOME TAX: Reduces the rates for the tax levied on individual income tax in favor of a flat tax and eliminates all individual income tax credits, deductions, exclusions, and exemptions

1 AN ACT

2 To amend and reenact R.S. 17:3095(A)(1)(b) and (c) and R.S. 47:32(A)(introductory

3 paragraph), 33(A), 37(H), 44.1, 44.2, 48, 59.1(A), 79(A) and (B)(1) and (5),

4 287.755(H), 293(2)(a)(i), (3)(c), (7)(a), (9)(a)(introductory paragraph), and (10), 294,

5 297(A), (B), (C)(1), (D)(introductory paragraph), (F), (H)(1), (I)(introductory

6 paragraph), (J)(1), (K)(1), (L)(1), (M)(1), (N)(1), O, (P)(1), 297.2, 297.3(A),

7 297.4(A)(introductory paragraph), 297.5, 297.6(A)(1)(introductory paragraph) and

8 (C), 297.8(A), 297.9(A), 297.10(A), 297.11, 297.12(A), 300.6(A), 300.7(A),

9 6005(D), 6104(A)(introductory paragraph), and 6105 and to enact R.S. 17:3095(I)

10 and R.S. 47:33(C), 59.1(C), 79(F), 293(3)(d), (7)(e), and (9)(f), 297(Q), 297.3(D),

11 297.4(C), 297.8(C), 297.9(D), 297.10(C), 297.12(C), 300.6(C), 300.7(D), 6004(C),

12 6005(G), 6006(E), 6006.1(G), 6007(G), 6008(D), 6009(F), 6012(F), 6014(F),

13 6015(K), 6016.1(N), 6017(C), 6018(F), 6019(D), 6022(D)(3), 6023(C)(4), 6025(D),

14 6026(E)(3), 6030(H), 6032(H), 6034(K), 6035(H), 6036(K), 6037(I), 6104(D),

15 6106(E), and 6107(C) and R.S. 51:1787(K), 1807(F), 1924(H), 2354(D), 2399.3(C),

16 and 3085(F), relative to individual income tax; to provide for the calculation of

17 individual income tax rates and liability; to provide for the rates and brackets on

1 individual income tax; to provide relative to certain individual income tax credits,
2 deductions, exemptions, and exclusions; to terminate individual income tax credits,
3 deductions, exemptions, and exclusions; to provide for effectiveness; and to provide
4 for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 17:3095(A)(1)(b) and (c) are hereby amended and reenacted and R.S.
7 17:3095(I) is hereby enacted to read as follows:

8 §3095. Education savings accounts; types, use, limitations, and disclosures

9 A.(1)(a)

10 * * *

11 (b) For tax years beginning on and after January 1, 2001, and prior to
12 January 1, 2015, amounts which an account owner deposits into an education savings
13 account shall be exempt from inclusion in the account owner's taxable income for the
14 purposes of state income tax up to a maximum of two thousand four hundred dollars
15 per account owned per taxable year for account owners filing single returns and up
16 to a maximum of four thousand eight hundred dollars per beneficiary per taxable
17 year for account owners filing joint returns, as provided in R.S. 47:293(6)(a)(vi). If
18 an account owner deposits less than the maximum two thousand four hundred dollars
19 per year in an owned account and files a single return or if married account owners
20 deposit less than the maximum of four thousand eight hundred dollars per year in an
21 account or accounts for a beneficiary and file a joint return, the difference between
22 the total deposits and two thousand four hundred dollars or four thousand eight
23 hundred dollars, respectively, will roll over to subsequent years and will be exempt
24 from inclusion in the account owner's taxable income for the purposes of state
25 income tax in addition to the two thousand four hundred dollars or four thousand
26 eight hundred dollars in the year actually deposited, as provided in R.S.
27 47:293(6)(a)(vi).

28 (c) For tax years beginning on and after January 1, 2005, and prior to
29 January 1, 2015, twice the amount that an account owner donates into an education

1 savings account classified under R.S. 17:3096(A)(1)(e) shall be exempt from
 2 inclusion in the account owner's taxable income for the purposes of state income tax,
 3 up to a maximum donation of two thousand four hundred dollars per account owned,
 4 per taxable year, if the beneficiary's family reported a federal adjusted gross income
 5 of less than thirty thousand dollars or the beneficiary was entitled to a free lunch
 6 under the Richard B. Russell National School Act (~~42 USC~~ U.S.C. 1751 et seq.), as
 7 provided in R.S. 47:293(6)(a)(viii). If an account owner deposits less than the
 8 amount that would qualify for the maximum exclusion or two thousand four hundred
 9 dollars per year in an owned account, the difference between the total deposits and
 10 two thousand four hundred dollars will roll over to subsequent years and shall
 11 increase the amount of deposits that qualify for the double exclusion from the
 12 account owner's taxable income for the purposes of state income tax in addition to
 13 the applicable exclusion for the year actually deposited, as provided in R.S.
 14 47:293(6)(a)(vi).

* * *

15
 16 I. For taxable years beginning on or after January 1, 2015, there shall be no
 17 exemption allowed under the provisions of this Section.

18 Section 2. R.S. 47:32(A)(introductory paragraph), 33(A), 37(H), 44.1, 44.2, 48,
 19 59.1(A), 79(A) and (B)(1) and (5), 287.755(H), 293(2)(a)(i), (3)(c), (7)(a),
 20 (9)(a)(introductory paragraph), and (10), 294, 297(A), (B), (C)(1), (D)(introductory
 21 paragraph), (F), (H)(1), (I)(introductory paragraph), (J)(1), (K)(1), (L)(1), (M)(1), (N)(1),
 22 O, (P)(1), 297.2, 297.3(A), 297.4(A)(introductory paragraph), 297.5,
 23 297.6(A)(1)(introductory paragraph) and (C), 297.8(A), 297.9(A), 297.10(A), 297.11,
 24 297.12(A), 300.6(A), 300.7(A), 6005(D), 6104(A)(introductory paragraph), and 6105 are
 25 hereby amended and reenacted and R.S. 47:33(C), 59.1(C), 79(F), 293(3)(d), (7)(e), and
 26 (9)(f), 297(Q), 297.3(D), 297.4(C), 297.8(C), 297.9(D), 297.10(C), 297.12(C), 300.6(C),
 27 300.7(D), 6004(C), 6005(G), 6006(E), 6006.1(G), 6007(G), 6008(D), 6009(F), 6012(F),
 28 6014(F), 6015(K), 6016.1(N), 6017(C), 6018(F), 6019(D), 6022(D)(3), 6023(C)(4),

1 6025(D), 6026(E)(3), 6030(H), 6032(H), 6034(K), 6035(H), 6036(K), 6037(I), 6104(D),
2 6106(E), and 6107(C) are hereby enacted to read as follows:

3 §32. Rates of tax

4 A. On individuals. The tax to be assessed, levied, collected and paid upon
5 the taxable income of an individual shall be computed at the following rates:

6 (1) ~~Two percent~~ No tax shall be assessed on that portion of the first twelve
7 thousand ~~five hundred~~ dollars of net income ~~which is in excess of the credits against~~
8 ~~net income provided for in R.S. 47:79;~~ ;

9 (2) ~~Four~~ Two and one-half percent on ~~the next thirty-seven thousand five~~
10 ~~hundred dollars of net income;~~

11 (3) ~~Six percent on any amount of net income in excess of fifty thousand~~
12 ~~dollars~~ twelve thousand dollars of net income.

13 * * *

14 §33. Credit for taxes paid in other states

15 A. Subject to the following conditions and for taxable years beginning prior
16 to January 1, 2015, resident individuals shall be allowed a credit against the taxes
17 imposed by this Chapter for net income taxes imposed by and paid to another state
18 on income taxable under this Chapter, provided that:

19 * * *

20 C. For taxable years beginning on or after January 1, 2015, no credit shall
21 be allowed under the provisions of this Section.

22 * * *

23 §37. Tax credit for contributions to educational institutions

24 * * *

25 H. The provisions of this Section shall be effective for taxable periods
26 beginning after December 31, 1985. For taxable years beginning on or after January
27 1, 2015, the credit allowed pursuant to the provisions of this Section shall not be
28 allowed for individual taxpayers.

29 * * *

1 §44.1. Annual retirement or disability income; exemption from taxation

2 A. ~~Six~~ For taxable years beginning prior to January 1, 2015, six thousand
3 dollars of annual retirement income which is received by an individual sixty-five
4 years of age or older shall be exempt from state income taxation. "Annual retirement
5 income" is defined as pension and annuity income which is included in "tax table
6 income" as defined in R.S. 47:293. This Section shall not affect the status of any
7 income which is exempt from state income taxation by law.

8 B. ~~Six~~ For taxable years beginning prior to January 1, 2015, six thousand
9 dollars of annual disability income received by an individual shall be exempt from
10 state income taxation. For purposes of this Subsection, "disability income" means
11 payment for permanent total disability as provided for in R.S. 23:1221(2). However,
12 any individual claiming an exemption for the blind, for having sustained the loss of
13 one or more limbs, for intellectual disability, or for deafness as provided for in R.S.
14 47:79(A)(2) shall not be eligible for this exemption.

15 C. For taxable years beginning on or after January 1, 2015, no exemptions
16 shall be allowed under the provisions of this Section.

17 §44.2. Federal social security benefits; federal and railroad retirement income
18 exempt from taxation

19 ~~Any~~ A. For taxable years beginning prior to January 1, 2015, any benefit
20 received by an individual pursuant to the provisions of Chapter 7 of Title 42 of the
21 United States Code (42 U.S.C. 301 et seq.), and any income received by an
22 individual pursuant to a retirement system for retirees of the United States
23 Government or pursuant to the Railroad Retirement Act of 1974 (45 U.S.C. 231 et
24 seq.) shall be exempt from the state income tax.

25 B. For taxable years beginning on or after January 1, 2015, no exemption
26 shall be allowed under the provisions of this Section.

27 * * *

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 §48. Exclusion from gross income; interest on Louisiana state or local government
2 obligations

3 ~~The~~ A. For taxable years beginning prior to January 1, 2015, the amount of
4 interest received upon obligations of the ~~State~~ state of Louisiana, or any political or
5 municipal subdivision thereof, to such extent as is now exempt by law shall not be
6 included in gross income.

7 B. For taxable years beginning on or after January 1, 2015, no exemption
8 shall be allowed under the provisions of this Section.

9 * * *

10 §59.1. Deduction from gross income; adaptive home improvements

11 A. ~~Any~~ For taxable years beginning prior to January 1, 2015, any person
12 with a disability, as described by R.S. 51:2232(11), which is permanent in nature,
13 whose gross family income is fifty thousand dollars or less, may deduct from the
14 individual's gross income any expense incurred for adaptations made necessary by
15 the disability to the individual's primary residence. The deduction shall be limited
16 to five thousand dollars.

17 * * *

18 C. For taxable years beginning on or after January 1, 2015, no deduction
19 shall be allowed under the provisions of this Section.

20 * * *

21 §79. Credits of individuals against net income

22 A. Personal exemption.

23 (1) ~~An~~ For taxable years beginning prior to January 1, 2015, an exemption
24 of twenty-five hundred dollars is allowed for the taxpayer; and an additional
25 exemption of twenty-five hundred dollars is allowed for the spouse of the taxpayer
26 if a separate return is made by the taxpayer, and if the spouse has no gross income
27 and is not the dependent of another taxpayer for the calendar year in which the
28 taxable year of the taxpayer begins. A person who occupied status as head of family
29 during the entire taxable year is allowed an exemption of five thousand dollars.

1 (2) ~~For taxable years beginning prior to January 1, 2015,~~ in addition to the
2 exemptions above provided for, an exemption of one thousand dollars is allowed for
3 the taxpayer who is blind or who has sustained the loss of one or more limbs or who
4 has an intellectual disability or who is deaf. As used herein the word "blind" shall
5 mean and refer to persons who have been determined by a qualified ophthalmologist
6 or optometrist to have no vision or to have vision which is insufficient for use in an
7 occupation or activity for which sight is essential. For purposes herein, the word
8 "deaf" shall be defined as in Paragraph (B)(5) of this Section. Each person claiming
9 an exemption under the provisions of this Paragraph shall be able to prove such
10 claim by certificate of a qualified physician or optometrist.

B. Credit for dependents.

11 (1) In general. ~~For taxable years beginning prior to January 1, 2015,~~ a
12 credit of four hundred dollars is allowed for each dependent (as defined in
13 Subsection C of this Section),

* * *

14 (5) Credit for certain dependents. ~~For taxable years beginning prior to~~
15 January 1, 2015, a credit of one thousand dollars is allowed for each dependent as
16 defined in Subsection C of this Section who is blind or deaf or who has sustained the
17 loss of one or more limbs or who has an intellectual disability. As herein used the
18 word "blind" shall be defined as in Paragraph (A)(2) of this Section. For purposes
19 herein, the word "deaf" shall mean and refer to persons whose hearing is so impaired
20 that it is insufficient for use in an occupation or activity for which hearing is
21 essential. The taxpayer claiming credit as herein provided shall be able to prove
22 such claim by certificate of a qualified physician or optometrist issued for each such
23 dependent for which a credit is claimed.

* * *

24 F. For taxable years beginning on or after January 1, 2015, no credits or
25 exemptions shall be allowed under the provisions of this Section.

* * *

1 §287.755. Tax credit for contributions to educational institutions

2 * * *

3 H. The provisions of this Section shall be effective for taxable periods
4 beginning after December 31, 1985. For taxable years beginning on or after January
5 1, 2015, the credit allowed pursuant to the provisions of this Section shall not be
6 allowed for individual taxpayers.

7 * * *

8 §293. Definitions

9 The following definitions shall apply throughout this Part, unless the context
10 requires otherwise:

11 * * *

12 (2)(a)(i) "Construction code retrofitting deduction" for the purposes of this
13 Part, means an amount equal to fifty percent of the cost paid or incurred on or after
14 January 1, 2007, by a taxpayer to voluntarily retrofit an existing residential structure,
15 for which the taxpayer claims the homestead exemption for ad valorem tax purposes,
16 excluding rental property, as provided for in Subparagraph (e) of this Paragraph to
17 bring it into compliance with the State Uniform Construction Code, less the value of
18 any other state-, municipal-, or federal-sponsored financial incentives for such cost
19 paid. For taxable years beginning on or after January 1, 2015, no deduction shall be
20 allowed under the provisions of this Section.

21 * * *

22 (3) "Excess federal itemized personal deductions" for the purposes of this
23 Part, means the following percentages of the amount by which the federal itemized
24 personal deductions exceed the amount of federal standard deductions which is
25 designated for the filing status used for the taxable period on the individual income
26 tax return required to be filed:

27 * * *

1 (c) For all tax years beginning on and after January 1, 2009, and prior to
2 January 1, 2015, one hundred percent of such excess federal itemized personal
3 deductions.

4 (d) For all tax years beginning on or after January 1, 2015, no deduction
5 shall be allowed under the provisions of this Section.

6 * * *

7 (7)(a) "The recreation volunteer and volunteer firefighter deduction" for the
8 purposes of this Part, means a deduction in the amount of five hundred dollars per
9 tax year for individuals who volunteer for recreation departments and volunteer fire
10 departments for taxable years beginning prior to January 1, 2015.

11 * * *

12 (e) For taxable years beginning on or after January 1, 2015, no deduction
13 shall be allowed under the provisions of this Section.

14 * * *

15 (9)(a) "Tax table income", for resident individuals in taxable years beginning
16 prior to January 1, 2015, means adjusted gross income plus interest on obligations
17 of a state or political subdivision thereof, other than Louisiana and its municipalities,
18 title to which obligations vested with the resident individual on or subsequent to
19 January 1, 1980, and less:

20 * * *

21 (f) "Tax table income", for resident individuals in taxable years beginning
22 on or after January 1, 2015, means adjusted gross income plus interest on obligations
23 of a state or political subdivision thereof, other than Louisiana and its municipalities,
24 title to which obligations vested with the resident individual on or subsequent to
25 January 1, 1980.

26 * * *

27 (10)(a) "Tax table income", for nonresident individuals in taxable years
28 beginning prior to January 1, 2015, means the amount of Louisiana income, as
29 provided in this Part, allocated and apportioned under the provisions of R.S. 47:241

1 through 247, plus the total amount of the personal exemptions and deductions
 2 already included in the tax tables promulgated by the secretary under authority of
 3 R.S. 47:295, less the proportionate amount of the federal income tax liability, excess
 4 federal itemized personal deductions, the temporary teacher deduction, the recreation
 5 volunteer and volunteer firefighter deduction, the construction code retrofitting
 6 deduction, any gratuitous grant, loan, or other benefit directly or indirectly provided
 7 to a taxpayer by a hurricane recovery entity if such benefit was included in federal
 8 adjusted gross income, the exclusion provided for in R.S. 47:297.3 for S Bank
 9 shareholders, the deduction for expenses disallowed by I.R.C. Section 280C, the
 10 deduction for net capital gains, and personal exemptions and deductions provided for
 11 in R.S. 47:294. The proportionate amount is to be determined by the ratio of
 12 Louisiana income to federal adjusted gross income. When federal adjusted gross
 13 income is less than Louisiana income, the ratio shall be one hundred percent.

14 (b) "Tax table income", for nonresident individuals in taxable years
 15 beginning on or after January 1, 2015, means the amount of Louisiana income, as
 16 provided in this Part, allocated and apportioned under the provisions of R.S. 47:241
 17 through 247. The proportionate amount is to be determined by the ratio of Louisiana
 18 income to federal adjusted gross income. When federal adjusted gross income is less
 19 than Louisiana income, the ratio shall be one hundred percent.

20 * * *

21 §294. Personal exemptions and credit for dependents

22 All personal exemptions and deductions for dependents allowed in
 23 determining federal income tax liability, including the extra exemption for the blind
 24 and aged, will be allowed in determining the tax liability in this Part. Taxpayers are
 25 required to use the same filing status and claim the same exemptions on their return
 26 required to be filed under this Part as they used on their federal income tax return.
 27 The amounts to be taken into consideration shall be as follows:

1 special fuels taxes paid to operate or propel a commercial fishing boat. The credit
2 shall not be allowed for any such taxes for which a refund has been claimed pursuant
3 to the provisions of Part VIII of Chapter 18 of this Subtitle.

4 * * *

5 D. ~~In~~ For taxable years beginning prior to January 1, 2015, in addition to any
6 other credits against the tax payable on net income which the law allows to an
7 individual taxpayer, the taxpayer shall be entitled to the tax credit against the tax
8 payable on net income provided for as follows:

9 * * *

10 F. ~~There~~ For taxable years beginning prior to January 1, 2015, there shall be
11 allowed to an individual, as a credit against the tax imposed by this Chapter for the
12 taxable year, an amount equal to thirty-three and one-third percent of the amount
13 contributed in a family responsibility program under the provisions of R.S. 46:449.
14 The amount of this credit shall not exceed two hundred dollars per year.

15 * * *

16 H.(1) ~~The~~ For taxable years beginning prior to January 1, 2015, the tax
17 determined as provided in this Part shall be reduced by the lesser of the tax due or
18 five thousand dollars per taxable year up to a maximum of five years for each
19 taxpayer meeting all of the following criteria.

20 * * *

21 I. ~~There~~ For taxable years beginning prior to January 1, 2015, there shall be
22 a bone marrow donor expense tax credit for any individual taxpayer required to file
23 a Louisiana tax return, acting as a business entity authorized to do business in the
24 state, operating as either a sole proprietorship, a partner in a partnership, or as a
25 Subchapter S Corporation, for bone marrow donor expense to be determined as
26 follows:

27 * * *

1 J.(1) ~~There~~ For taxable years beginning prior to January 1, 2015, there shall
2 be a tax credit for any individual taxpayer required to file a Louisiana tax return, for
3 educational expenses associated with attending college, to be determined as follows.

4 * * *

5 K.(1) ~~There~~ For taxable years beginning prior to January 1, 2015, there shall
6 be a credit against the tax liability due under this Chapter, as provided in this
7 Subsection, for each taxpayer who provides full-time employment to an individual
8 who has been convicted of a first time drug offense and who is less than twenty-five
9 years of age at the time of initial employment.

10 * * *

11 L.(1) ~~There~~ For taxable years beginning prior to January 1, 2015, there shall
12 be a credit against the tax liability due under this Chapter for each qualified taxpayer
13 for the purchase of a bulletproof vest. Only one such credit shall be allowed to a
14 qualified taxpayer for the five-year period beginning with the purchase of a
15 bulletproof vest as provided for in this Subsection.

16 * * *

17 M.(1) ~~There~~ For taxable years beginning prior to January 1, 2015, there shall
18 be allowed a credit against the individual income tax for amounts paid as premiums
19 for eligible long-term care insurance. The amount of the credit shall be equal to ten
20 percent of the total amount of premiums paid annually by each individual claiming
21 the credit.

22 * * *

23 N.(1) ~~There~~ For taxable years beginning prior to January 1, 2015, there shall
24 be allowed a credit against individual income tax due in a taxable year equal to the
25 following amounts incurred by a taxpayer during his tax year if related to the
26 taxpayer's travel or absence from work because of a living organ donation by the
27 taxpayer or the taxpayer's spouse:

28 * * *

1 O. ~~There~~ For taxable years beginning prior to January 1, 2015, there shall be
 2 allowed to an individual who is an employer a credit against the tax imposed by this
 3 Chapter for the taxable year the same credits provided for in R.S. 47:287.752 for the
 4 full-time employment of individuals who have been convicted of first time
 5 nonviolent offenses. The credit shall be the same amount and shall be subject to the
 6 same terms and conditions as provided for in that Section.

7 P.(1) ~~There~~ For taxable years beginning prior to January 1, 2015, there shall
 8 be allowed a credit against the individual income tax liability of a taxpayer for the
 9 inclusion of accessible and barrier-free design elements in the construction of a new
 10 one- or two-family dwelling. For purposes of this Subsection, "taxpayer" shall
 11 mean an individual who owns a newly constructed one- or two-family dwelling and
 12 who qualifies for and claims a homestead exemption on a dwelling which meets all
 13 of the design elements necessary for claiming the tax credit authorized by the
 14 provisions of this Subsection.

15 * * *

16 Q. For taxable years beginning on or after January 1, 2015, no credit shall
 17 be allowed under the provisions of this Section.

18 * * *

19 §297.2. Reduction to tax due

20 A. A person who maintains a household which includes one or more
 21 dependents who are physically or mentally incapable of caring for themselves may
 22 take as a credit against the state income tax imposed by this Part the full amount of
 23 a tax credit equal to the applicable percentage of employment-related expenses
 24 allowable pursuant to Section 21 of the Internal Revenue Code. Any tax credit
 25 otherwise allowed under this Section which is not used by the taxpayer in a particular
 26 year may be carried forward and offset against the taxpayer's tax liability for the next
 27 succeeding tax year.

28 B. For taxable years beginning on or after January 1, 2015, no credit shall
 29 be allowed under the provisions of this Section.

1 §297.3. Exclusion from income; S Bank shareholder non-taxable income

2 A. For taxable periods beginning after December 31, 2002, and beginning
3 prior to January 1, 2015, an S Bank shareholder may exclude from Louisiana tax
4 table income an amount equal to the S Bank shareholder's non-taxable income as
5 defined in Subsection B of this Section.

6 * * *

7 D. For taxable periods beginning on or after January 1, 2015, no exclusion
8 shall be allowed under the provisions of this Section.

9 §297.4. Reduction to tax due; certain child care expenses

10 A. ~~There~~ For taxable years beginning prior to January 1, 2015, there shall be
11 a credit from the tax imposed by this Part for child care expenses for which a resident
12 individual is eligible pursuant to the federal income tax credit provided by Internal
13 Revenue Code Section 21 for the same taxable year. The credit shall be calculated
14 using the following percentages:

15 * * *

16 C. For taxable years beginning on or after January 1, 2015, no credit shall
17 be allowed under the provisions of this Section.

18 §297.5. Exemption from income; payments received from the Louisiana Military
19 Family Assistance Fund

20 A. Payments or awards made to activated military personnel or family
21 members of activated military personnel under Part III of Chapter 2 of Title 46 of the
22 Louisiana Revised Statutes of 1950, the Louisiana Military Family Assistance Fund,
23 are exempt from the tax imposed by this Part.

24 B. For taxable years beginning on or after January 1, 2015, there shall be no
25 exemption allowed under the provisions of this Section.

26 §297.6. Reduction to tax due; rehabilitation of residential structures

27 A.(1) ~~There~~ For taxable years beginning prior to January 1, 2015, there shall
28 be a credit against individual income tax liability due under this Title for the amount
29 of eligible costs and expenses incurred during the rehabilitation of an owner-

1 occupied residential or owner-occupied mixed use structure located in a National
 2 Register Historic District, a local historic district, a Main Street District, a cultural
 3 products district, or a downtown development district, or such owner-occupied
 4 residential structure which has been listed or is eligible for listing on the National
 5 Register, or such structure which has been certified by the State Historic Preservation
 6 Office as contributing to the historical significance of the district, or a vacant and
 7 blighted owner-occupied residential structure located anywhere in the state that is at
 8 least fifty years old. The tax credit authorized pursuant to this Section shall be
 9 limited to one credit per structure rehabilitated. The total credit shall not exceed
 10 twenty-five thousand dollars per structure. In order to qualify for that credit, the
 11 rehabilitation costs for the structure must exceed ten thousand dollars.

* * *

13 C. The provisions of this Section shall be effective for the taxable years
 14 ending prior to ~~January 1, 2018~~ January 1, 2015.

* * *

16 §297.8. Earned income tax credit

17 A. ~~There~~ For taxable years beginning prior to January 1, 2015, there shall be
 18 a credit against the tax imposed by this Chapter for individuals in an amount equal
 19 to three and one-half percent of the federal earned income tax credit for which the
 20 individual is eligible for the taxable year under Section 32 of the Internal Revenue
 21 Code.

* * *

23 C. For taxable years beginning on or after January 1, 2015, no credit shall
 24 be allowed under the provisions of this Section.

25 §297.9. Reduction to tax due; amounts paid by certain military servicemembers and
 26 dependents for certain hunting and fishing licenses

27 A. ~~There~~ For taxable years beginning prior to January 1, 2015, there shall be
 28 a credit against individual income tax liability due under this Part for amounts paid
 29 by an active or reserve military servicemember, or the spouse or dependent of such

1 servicemember, for obtaining a Louisiana noncommercial hunting or fishing license
2 for themselves or their spouses and dependents.

3 * * *

4 D. For taxable years beginning on or after January 1, 2015, no credit shall
5 be allowed under the provisions of this Section.

6 §297.10. Tax deduction; elementary and secondary school tuition

7 A. ~~There~~ For taxable years beginning prior to January 1, 2015, there shall be
8 allowed a deduction from tax table income for the sum of amounts paid during the
9 taxable year by a taxpayer for tuition and fees required for a student's enrollment in
10 a nonpublic elementary or secondary school which complies with the criteria set
11 forth in *Brumfield, et al. v. Dodd, et al.* 425 F. Supp. 528 and Section 501(c)(3) of
12 the Internal Revenue Code, or to any public elementary or secondary laboratory
13 school which is operated by a public college or university, if the student qualifies as
14 a dependency exemption on the taxpayer's Louisiana income tax return. The
15 deduction authorized by this Section shall be equal to the actual amount of tuition
16 and fees paid by the taxpayer per child, but no more than five thousand dollars of
17 deduction per child may be allowed to one or more taxpayers if the child qualifies
18 as a dependency exemption on the taxpayer's Louisiana income tax return for either
19 the taxable year or the prior taxable year. The amount of the deduction authorized
20 in this Section shall not exceed the total taxable income of the individual.

21 * * *

22 C. For taxable years beginning on or after January 1, 2015, no deduction
23 shall be allowed under the provisions of this Section.

24 §297.11. Tax deduction; educational expenses for home-schooled children

25 A. ~~There~~ For taxable years beginning prior to January 1, 2015, there shall be
26 allowed a deduction from tax table income for educational expenses paid during the
27 taxable year by a taxpayer for the home-schooling of a child, if the child qualifies
28 as a dependency exemption on the taxpayer's Louisiana income tax return. The
29 deduction authorized by this Section shall be equal to fifty percent of the actual

1 amount of qualified educational expenses paid by the taxpayer for the home-
 2 schooling of each child, but no more than five thousand dollars of deduction per
 3 child may be allowed to one or more taxpayers if the child qualifies as a dependency
 4 exemption on the taxpayer's Louisiana income tax return for either the taxable year
 5 or the prior taxable year. For purposes of this Section, qualified educational
 6 expenses shall include amounts expended for the purchase of textbooks and curricula
 7 necessary for home-schooling of each child. The amount of the deduction authorized
 8 by this Section shall not exceed the total taxable income of the individual.

9 B. For taxable years beginning on or after January 1, 2015, no deduction
 10 shall be allowed under the provisions of this Section.

11 §297.12. Tax deduction; fees and other educational expenses for a quality public
 12 education

13 A. ~~There~~ For taxable years beginning prior to January 1, 2015, there shall be
 14 allowed a deduction from tax table income for amounts paid during a tax year by a
 15 taxpayer which are associated with a student's enrollment in a public elementary or
 16 secondary school in order to ensure a quality education, if the student qualifies as a
 17 dependency exemption on the taxpayer's Louisiana income tax return. For purposes
 18 of this Section, "amounts" shall include all of the following:

19 * * *

20 C. For taxable years beginning on or after January 1, 2015, no deduction
 21 shall be allowed under the provisions of this Section.

22 * * *

23 §300.6. Louisiana taxable income of resident estate or trust

24 A. Definition. "Louisiana taxable income" of a resident estate or trust for
 25 taxable years beginning prior to January 1, 2015, means the taxable income of the
 26 estate or trust determined in accordance with federal law for the same taxable year,

1 as specifically modified by the provisions contained in Subsection B of this Section,
2 less a federal income tax deduction to be computed following the provisions of R.S.
3 47:287.83 and 287.85.

4 * * *

5 C. "Louisiana taxable income" of a resident estate or trust for taxable years
6 beginning on or after January 1, 2015, means the taxable income of the estate or trust
7 determined in accordance with federal law for the same taxable year.

8 §300.7. Louisiana taxable income of nonresident estate or trust

9 A. Definition. "Louisiana taxable income" of a nonresident estate or trust
10 for taxable years beginning prior to January 1, 2015, means such portion of the
11 taxable income of the nonresident estate or trust determined in accordance with
12 federal law for the same taxable year, as specifically modified by the provisions
13 contained in Subsection C of this Section, that was earned within or derived from
14 sources within this state, less a federal income tax deduction to be computed
15 following the provisions of R.S. 47:287.83 and 287.85.

16 * * *

17 D. "Louisiana taxable income" of a nonresident estate or trust for taxable
18 years beginning on or after January 1, 2015, means the portion of the taxable income
19 of the nonresident estate or trust determined in accordance with federal law for the
20 same taxable year that was earned within or derived from sources within this state.

21 * * *

22 §6004. Employer credit

23 * * *

24 C. For taxable years beginning on or after January 1, 2015, no credit shall
25 be allowed for individual taxpayers under the provisions of this Section.

1 §6005. Qualified new recycling manufacturing or process equipment ~~and/or~~ and
2 service contracts

3 * * *

4 D.~~(1)~~ The amount of the credit claimed in the taxable period for which
5 certification of equipment is received, and the amount of credit claimed therefor in
6 each taxable period thereafter, shall not exceed twenty percent of the amount of the
7 total credit allowable. In no case shall the credit claimed exceed fifty percent of the
8 tax liability which would be otherwise due for that taxable period. Any unused
9 credit for a taxable year in which a credit is allowed may be carried forward to
10 subsequent years until the credit is exhausted. Total credits certified by the secretary
11 of the Department of Environmental Quality in any calendar year shall not exceed
12 five million dollars.

13 ~~(2)(a) Notwithstanding any other provision of this Subsection to the contrary,~~
14 ~~steelworks and blast furnaces, including coke ovens and rolling mills, which are~~
15 ~~classified as SIC 3312 by the Standard Industrial Classification Code, may claim one~~
16 ~~hundred percent of any credit and the total amount of any credit carry-forward~~
17 ~~provided for in this Section as provided in this Paragraph. If the credit or credit~~
18 ~~carry-forward claimed exceeds the amount of tax due by any such taxpayer, the~~
19 ~~amount of credit or credit-forward not used to offset taxes due shall be paid to the~~
20 ~~taxpayer from current collections of the taxes collected pursuant to Chapter 1 and~~
21 ~~Chapter 5 of Subtitle H of this Title.~~

22 ~~(b) The provisions of this Paragraph are applicable solely for credits for~~
23 ~~qualified recycling equipment certified by the secretary of the Department of~~
24 ~~Environmental Quality as provided in this Chapter on or before April 1, 1999. Any~~
25 ~~credit claimed pursuant to this Paragraph must be claimed by the taxpayer prior to~~
26 ~~July 1, 2002 and shall be payable solely and exclusively from current collections~~
27 ~~attributable to the state fiscal year commencing on July 1, 2001.~~

28 * * *

1 G. For taxable years beginning on or after January 1, 2015, no credit shall
2 be allowed for individual taxpayers under the provisions of this Section.

3 §6006. Tax credits for local inventory taxes paid

4 * * *

5 E. For taxable years beginning on or after January 1, 2015, no credit shall be
6 allowed for individual taxpayers under the provisions of this Section.

7 §6006.1. Tax credits for taxes paid with respect to vessels in Outer Continental
8 Shelf Lands Act Waters

9 * * *

10 G. For taxable years beginning on or after January 1, 2015, no credit shall
11 be allowed for individual taxpayers under the provisions of this Section.

12 §6007. Motion picture investor tax credit

13 * * *

14 G. Individual taxpayer. For taxable years beginning on or after January 1,
15 2015, no credit shall be allowed for individual taxpayers under the provisions of this
16 Section.

17 * * *

18 §6008. Tax credits for donations made to assist playgrounds in economically
19 depressed areas

20 * * *

21 D. For taxable years beginning on or after January 1, 2015, no credit shall
22 be allowed for individual taxpayers under the provisions of this Section.

23 §6009. Louisiana Basic Skills Training Tax Credit

24 * * *

25 F. For taxable years beginning on or after January 1, 2015, no credit shall be
26 allowed for individual taxpayers under the provisions of this Section.

27 * * *

1 §6012. Employer tax credits for donations of materials, equipment, advisors, or
2 instructors

3 * * *

4 F. For taxable years beginning on or after January 1, 2015, no credit shall be
5 allowed for individual taxpayers under the provisions of this Section.

6 * * *

7 §6014. Credit for property taxes paid by certain telephone companies; fund

8 * * *

9 F. For taxable years beginning on or after January 1, 2015, no credit shall be
10 allowed for individual taxpayers under the provisions of this Section.

11 §6015. Research and development tax credit

12 * * *

13 K. For taxable years beginning on or after January 1, 2015, no credit shall
14 be allowed for individual taxpayers under the provisions of this Section.

15 * * *

16 §6016.1. Louisiana New Markets Jobs Act; premium tax credit

17 * * *

18 N. For taxable years beginning on or after January 1, 2015, no credit shall
19 be allowed for individual taxpayers under the provisions of this Section.

20 §6017. Tax credits for certain expenses paid by economic development
21 corporations

22 * * *

23 C. For taxable years beginning on or after January 1, 2015, no credit shall
24 be allowed for individual taxpayers under the provisions of this Section.

25 §6018. Tax credits for purchasers from "PIE contractors"

26 * * *

27 F. For taxable years beginning on or after January 1, 2015, no credit shall be
28 allowed for individual taxpayers under the provisions of this Section.

1 §6019. Tax credit; rehabilitation of historic structures

2 * * *

3 D. For taxable years beginning on or after January 1, 2015, no credit shall
4 be allowed for individual taxpayers under the provisions of this Section.

5 * * *

6 §6022. Digital interactive media and software tax credit

7 * * *

8 D. Tax credit; specific projects.

9 * * *

10 (3) Beginning July 1, 2015, no new applications for individual income tax
11 credits pursuant to this Section shall be approved by the department. No individual
12 income tax credits shall be allowed pursuant to the provisions of this Section after
13 July 1, 2015.

14 * * *

15 §6023. Sound recording investor tax credit

16 * * *

17 C. Investor tax credit; state-certified productions and infrastructure projects.

18 * * *

19 (4) Beginning July 1, 2015, no new applications for individual income tax
20 credits pursuant to this Section shall be approved by the department. No individual
21 income tax credits shall be allowed pursuant to the provisions of this Section after
22 July 1, 2015.

23 * * *

24 §6025. Tax credit for Louisiana Citizens Property Insurance Corporation assessment

25 * * *

26 D. For taxable years beginning on or after January 1, 2015, no credit shall
27 be allowed for individual taxpayers under the provisions of this Section.

28 §6026. Cane River heritage tax credit

29 * * *

1 E.

2 * * *

3 (3) Beginning July 1, 2015, no new applications for individual income tax
4 exemptions or credits pursuant to this Section shall be approved by the department.

5 No individual income tax exemptions or credits shall be allowed pursuant to the
6 provisions of this Section after July 1, 2015.

7 * * *

8 §6030. Solar energy systems tax credit

9 * * *

10 H. For taxable years beginning on or after January 1, 2015, no credit shall
11 be allowed for individual taxpayers under the provisions of this Section.

12 * * *

13 §6032. Tax credit for certain milk producers

14 * * *

15 H. For taxable years beginning on or after January 1, 2015, no credit shall
16 be allowed for individual taxpayers under the provisions of this Section.

17 * * *

18 §6034. Musical and theatrical production income tax credit

19 * * *

20 K. Beginning July 1, 2015, no new applications for individual income tax
21 credits pursuant to this Section shall be approved by the department. No individual
22 income tax exemptions or credits shall be allowed pursuant to the provisions of this
23 Section after July 1, 2015.

24 §6035. Tax credit for conversion of vehicles to alternative fuel usage

25 * * *

26 H. For taxable years beginning on or after January 1, 2015, no credit shall
27 be allowed for individual taxpayers under the provisions of this Section.

1 §6036. Ports of Louisiana tax credits

2 * * *

3 K. For taxable years beginning on or after January 1, 2015, no credit shall
4 be allowed for individual taxpayers under the provisions of this Section.

5 §6037. Tax credit for "green job industries"

6 * * *

7 I. For taxable years beginning on or after January 1, 2015, no credit shall be
8 allowed for individual taxpayers under the provisions of this Section.

9 * * *

10 §6104. Child care expense tax credit

11 A. ~~There~~ For taxable years beginning prior to January 1, 2015, there shall
12 be a credit against Louisiana individual income tax for child care expenses in
13 addition to the credit provided for such expenses in R.S. 47:297.4. Such credit shall
14 be based upon the credit provided for such expenses in R.S. 47:297.4 and shall be
15 based upon the quality rating of the child care facility which the child attends as
16 follows:

17 * * *

18 D. For taxable years beginning on or after January 1, 2015, no credit shall
19 be allowed under the provisions of this Section.

20 §6105. Child care provider tax credit

21 A. There shall be a credit against any Louisiana individual or corporation
22 income tax or corporation franchise tax for a child care provider refundable as
23 provided for in R.S. 47:6108. The tax credit shall be an amount based upon the
24 average monthly number of children who either participate in the Child Care
25 Assistance Program administered by the office of children and family services in the
26 Department of Children and Family Services or who are foster children in the
27 custody of the Department of Children and Family Services, and who are attending
28 a child care facility or facilities operated by the child care provider, multiplied by an

1 amount which shall be based upon the quality rating of each child care facility
2 operated by the child care provider as follows:

3	Quality Rating of Child Care Facility	Tax Credit Per Eligible Child Attending
4		
5	Five star	\$1,500
6	Four star	\$1,250
7	Three star	\$1,000
8	Two star	\$750
9	One star or nonparticipating facility	0

10 B. For taxable years beginning on or after January 1, 2015, no credit shall
11 be allowed for individual taxpayers under the provisions of this Section.

12 §6106. Credit for child care directors and staff

13 * * *

14 E. For taxable years beginning on or after January 1, 2015, no credit shall be
15 allowed for individual taxpayers under the provisions of this Section.

16 §6107. Business-supported child care

17 * * *

18 C. For taxable years beginning on or after January 1, 2015, no credit shall
19 be allowed for individual taxpayers under the provisions of this Section.

20 * * *

21 Section 3. R.S. 51:1787(K), 1807(F), 1924(H), 2354(D), 2399.3(C), and 3085(F)
22 are hereby enacted to read as follows:

23 §1787. Incentives

24 * * *

25 K. For taxable years beginning on or after January 1, 2015, no credit shall
26 be allowed for individual taxpayers under the provisions of this Section.

27 * * *

1 §1807. Incentives

2 * * *

3 F. For taxable years beginning on or after January 1, 2015, no credit shall be
4 allowed for individual taxpayers under the provisions of this Section.

5 * * *

6 §1924. Income tax credit or premium tax reduction

7 * * *

8 H. For taxable years beginning on or after January 1, 2015, no credit shall
9 be allowed for individual taxpayers under the provisions of this Section.

10 * * *

11 §2354. Technology commercialization credit; amount; duration; forfeit

12 * * *

13 D. For taxable years beginning on or after January 1, 2015, no credit shall
14 be allowed for individual taxpayers under the provisions of this Section.

15 * * *

16 §2399.3. Modernization tax credit

17 * * *

18 C. For taxable years beginning on or after January 1, 2015, no credit shall
19 be allowed for individual taxpayers under the provisions of this Section.

20 * * *

21 §3085. Tax credit

22 * * *

23 F. For taxable years beginning on or after January 1, 2015, no credit shall be
24 allowed for individual taxpayers under the provisions of this Section.

25 Section 4. This Act shall take effect and become operative if and when the
26 proposed amendment of Article VII of the Constitution of Louisiana contained in the Act
27 which originated as House Bill No. 264 of this 2015 Regular Session of the Legislature is
28 adopted at a statewide election and becomes effective.

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)]

HB 788 Original

2015 Regular Session

Jay Morris

Abstract: Reduces the rates for the tax levied on individual income tax in favor of a flat tax and eliminates all individual income tax credits, deductions, exclusions, and exemptions.

Present law (R.S. 47:32) provides for a tax to be assessed, levied, collected, and paid upon the taxable income of an individual at varying rates.

Proposed law reduces individual income tax rates as follows:

- (1) From 2% on the first \$12,500 of net income to 0% on the first \$12,000 of net income.
- (2) From 4% on the next \$37,500 and 6% on net income in excess of \$50,000 to 2.5% on net income in excess of \$12,000.

Present law provides for individual income tax credits, deductions, exclusions, and exemptions.

Proposed law eliminates all individual income tax credits, deductions, exclusions, and exemptions for taxable years beginning on or after Jan. 1, 2015. For those credits that require a contract with the department, proposed law prohibits any new contracts from being entered into after July 1, 2015.

Present law (R.S. 17:3095) provides generally for the Louisiana Student Tuition Assistance and Revenue Trust Program (START) and authorizes an individual income tax deduction for certain deposits into a START account.

Present law (R.S. 47:33) provides for a credit against the individual income tax for a resident for income derived from property located in another state when taxes on the income are imposed by and paid to the other state.

Present law (R.S. 47:44.1) provides for an exemption from the state income tax for income earned by full-time military personnel for services performed outside the state for the U.S. armed forces.

Present law (R.S. 47:44.2) provides for an exemption from the state income tax for federal social security benefits, retirement benefits for retirees of the U.S. government, or benefits pursuant to the Railroad Retirement Act of 1974.

Present law (R.S. 47:48) provides for an exemption from the state income tax for interest received on state obligations or any political subdivision of the state.

Present law (R.S. 47:59.1) provides for a deduction from an individual's gross income for expenses incurred for adaptations to an individual's primary residence made necessary by the disability of the individual.

Present law (R.S. 47:79) provides for personal exemptions and dependent credits from individual income taxes.

Present law (R.S. 47:287.755) provides for an income tax credit for contributions, donations, or selling below cost tangible movable property to a public educational institution for the purposes of research, research training, or direct education of students in the state. The amount of the credit is 40% of the property's value, or in the case of sale below cost, 40% of the difference between the price received and the value of the property.

Present law (R.S. 47:293) provides for various individual income tax deductions for certain qualifying payments made by the individual taxpayer.

Present law (R.S. 47:294) provides that all personal exemptions and deductions for dependents allowed in determining federal income tax liability shall be allowed in determining La. tax liability. Further provides for a combined personal exemption of \$4,500 for single, individual filers, \$9,000 for married, joint filers, \$4,500 for married, separate filers, and \$9,000 for filers who are the head of household.

Present law (R.S. 47:297(A)) provides for a tax credit of \$100 for any taxpayer when the taxpayer, taxpayer's spouse, or dependent is deaf, blind, mentally incapacitated, or has lost the use of one or more limbs.

Present law (R.S. 47:297(B)) provides for a tax credit for the elderly, contributions to candidates for public office, investment credits, credits for foreign tax, work incentive credits, jobs credits, and residential credits. The amount of the credit is the lesser of \$25 or 10% of the same credit allowed on the federal income tax return for the same tax year.

Present law (R.S. 47:297(C)) provides for an income tax credit for individuals in an amount equal to the state gasoline and motor fuels tax and special fuels taxes paid to operate or propel a commercial fishing boat.

Present law (R.S. 47:297(D)) provides a \$25 income tax credit per child for individual taxpayers for educational expenses.

Present law (R.S. 47:297(F)) provides an income tax credit for individual taxpayers in an amount equal to 33.3% of the amount contributed to a family responsibility program under the provisions of present law. Further limits the credit to \$200 per year.

Present law (R.S. 47:297(H)) provides for an income tax credit for certain medical doctors and dentists who practice in designated rural areas. The credit allowed is \$5,000 per taxable year up to a maximum of five years for each taxpayer meeting the criteria.

Present law (R.S. 47:297(I)) provides an income tax credit for taxpayers for certain bone marrow donor expenses. The amount of the credit is 25% of the bone marrow donor expenses incurred during the tax year by an employer to provide the program.

Present law (R.S. 47:297(J)) provides an income tax credit for individual taxpayers for certain educational expenses associated with attending college. The amount of the credit is equal to the lesser of the tax due, or 100% of the educational expenses, or \$750.

Present law (R.S. 47:297(K)) provides an income tax credit for taxpayers who provide full-time employment to an individual convicted of a first time drug offense who is less than 25 years of age at the time of initial employment.

Present law (R.S. 47:297(L)) provides an income tax credit for certain qualified law enforcement officers for the purchase of a bulletproof vest. The amount of the credit is the lesser of the full purchase price including taxes paid by the taxpayer or \$100.

Present law (R.S. 47:297(M)) provides for an individual income tax credit for amounts paid as premiums for eligible long-term care insurance. The amount of the credit is equal to 10% of the total amount of premiums paid annually.

Present law (R.S. 47:297(N)) provides for an individual income tax credit equal to certain amounts incurred by a taxpayer for expenses resulting from a living organ donation by the taxpayer or taxpayer's spouse. The maximum amount of the credit is \$10,000.

Present law (R.S. 47:297(O)) provides for an individual income tax credit for an employer who employs individuals who have been convicted of first time nonviolent offenses on a full-time basis.

Present law (R.S. 47:297(P)) provides for an income tax credit for inclusion of certain accessible and barrier-free design elements in the construction of a new one- or two- family dwelling. The amount of the credit is the lesser of \$1,000 or the total tax liability of the taxpayer.

Present law (R.S. 47:297.2) provides for an income tax credit for persons who maintain a household that includes one or more dependents who are physically or mentally incapable of caring for themselves. The amount of the credit is equal to the applicable percentage of employment-related expenses allowable pursuant to present federal law.

Present law (R.S. 47:297.3) provides for an income tax exclusion for S Bank shareholder income attributable to the net earnings used to compute the S Bank's shares tax.

Present law (R.S. 47:297.4) provides for an individual income tax credit for certain child care expenses for which the individual is eligible for a federal income tax credit for the same year. The amount of the credit varies.

Present law (R.S. 47:297.5) provides for an exemption from individual income tax for payments or awards made to activated military personnel or family members of activated military personnel under the La. Military Family Assistance Fund.

Present law (R.S. 47:297.6) provides for an individual income tax credit for eligible costs and expenses incurred during the rehabilitation of an owner-occupied residential or owner-occupied mixed use structure located in certain specific areas. The amount of the credit is equal to 25% of the eligible costs and expenses of a rehabilitation. The maximum credit allowed is \$25,000. Present law further authorizes a credit of 50% of the eligible costs and expenses of a rehabilitation of a vacant and blighted owner-occupied residential structure that is at least 50 years old. Present law provides an annual program cap of \$10 million.

Present law (R.S. 47:297.8) provides for an individual income tax credit in an amount equal to 3.5% of the federal earned income tax credit for which the individual is eligible.

Present law (R.S. 47:297.9) provides for an individual income tax credit for the amount paid by an active or reserve military service member for a La. noncommercial hunting or fishing license.

Present law (R.S. 47:297.10) provides for a deduction from tax table income for amounts paid during the taxable year by a taxpayer for tuition and fees required for a student's enrollment in certain nonpublic elementary or secondary school.

Present law (R.S. 47:297.11) provides for a deduction from tax table income for educational expenses paid during the tax year by a taxpayer for certain home-schooling expenses.

Present law (R.S. 47:297.12) provides for a deduction from tax table income for amounts paid during the tax year by a taxpayer associated with a student's enrollment in a public elementary or secondary school.

Present law (R.S. 47:300.6) provides for the definition of La. taxable income of a resident estate or trust to mean that amount determined in accordance with present federal law for the same taxable year, modified by adding or subtracting certain amounts.

Present law (R.S. 47:300.7) provides for the definition of La. taxable income of a nonresident estate or trust to mean that amount determined in accordance with federal law for the same taxable year, modified by adding or subtracting certain amounts.

Present law (R.S. 47:6004) provides for an income and corporation franchise tax credit for the employment of each person and participant of Family Independence Work Program in a newly created full-time job. The amount of the credit is \$750 and is allowed for the taxable period during which the new employee has completed one year of full-time service with the taxpayer or against the corporation franchise tax for the taxable period following the taxable period during which the new employee has completed one year of full-time service with the taxpayer.

Present law (R.S. 47:6005) provides an income or corporation franchise tax credit for the purchase of qualified new recycling manufacturing or process equipment or qualified service contracts to be used or performed exclusively in the state. The amount of the credit is 20% of the cost of the equipment or service contract less the amount of any other tax credit received for the purchase of the equipment or contract. Further provides an annual program cap of \$5 million.

Present law (R.S. 47:6006) provides for an income or corporation franchise tax credit for ad valorem taxes paid to political subdivisions on inventory held by manufacturers, distributors, and retailers and on natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities. The amount of the credit is equal to 100% of the inventory taxes paid to the political subdivision.

Present law (R.S. 47:6006.1) provides for an income or corporation franchise tax credit for ad valorem taxes paid without protest to political subdivisions on vessels in Outer Continental Shelf Lands Act Waters. The amount of the credit is equal to 100% of the ad valorem taxes paid to the political subdivision.

Present law (R.S. 47:6007) provides for an income tax credit for La. taxpayers for investment in state-certified productions earned at the time expenditures are made by a motion picture production company in a state-certified production. The amount of the credit is equal to 30% of the base investment made by the investor if the total base investment is more than \$300,000. Additionally provides for a credit equal to 5% of base investment expended on payroll for La. residents employed in connection with a state-certified production. However, this credit does not apply to the payroll of any one person that exceeds \$1 million.

Present law (R.S. 47:6008) provides for an income or corporation franchise tax credit for qualified donations made to qualified playgrounds. The amount of the credit is equal to the lesser of \$1,000 or 1/2 of the value of the cash, equipment, goods, or services donated.

Present law (R.S. 47:6009) provides for an income or corporation franchise tax credit for a La. business or industry that supports and encourages employee basic skills training by satisfying criteria established in present law and that submit proper and complete applications. The amount of the credit is \$250 per participating employee, with the total of all basic skills training credits not to exceed \$30,000 for any single business or industry enterprise in a particular tax year.

Present law (R.S. 47:6012) provides for an income and corporation franchise tax credit for employers within the state to donate materials, equipment, or instructors to public training providers registered with the La. Workforce Commission, or community colleges to assist in the development of training programs designed to meet industry needs. The amount of the credit is equal to 50% of the value of the donated materials, equipment, or services rendered by the instructor.

Present law (R.S. 47:6014) provides for an income and corporation franchise tax credit for ad valorem taxes paid to political subdivisions by a telephone company for the company's public service properties. The amount of the credit is equal to 40% of the aggregate ad valorem taxes paid by the telephone company to the political subdivision.

Present law (R.S. 47:6015) provides for an income and corporation franchise tax credit for taxpayers who employ persons in the state and claim a federal income tax credit for increasing research activities. The credit is allowed at varying amounts.

Present law (R.S. 47:6016.1) provides for the La. New Markets Jobs Act for purposes of a tax credit that may be claimed against insurance premium tax. Eligibility is based on the investment of private capital in a low-income community business in La. The annual program cap is \$55 million. The amount of the credit is authorized in varying amounts based on a certain percentage multiplied by the amount of the qualified investment. The percentage multiplier is based on the credit allowance date. The credit allowance dates are based on the initial date of the qualified investment and each of the six successive anniversary dates of the initial date.

Present law (R.S. 47:6017) provides for an income or corporation franchise tax credit for the filing fee paid to the La. State Bond Commission. The amount of the credit is equal to the amount of the filing fee paid.

Present law (R.S. 47:6019) provides for an income or corporation franchise tax credit for the amount of eligible costs and expenses incurred during the rehabilitation of a historic structure located in a downtown development district or a cultural district. The credit shall not exceed 25% of the eligible costs and expenses and no taxpayer shall claim more than \$5 million of credit annually for any number of structures rehabilitated within a particular downtown development or cultural district.

Present law (R.S. 47:6022) provides for an income or franchise tax credit for La. taxpayers for investment in state-certified productions for digital interactive media earned at the time expenditures are made on a state-certified production. The amount of the credit is equal to 25% of the base investment made by the investor. Additionally provides for a credit equal to 10% of base investment expended on payroll for La. residents employed in connection with a state-certified production.

Present law (R.S. 47:6023) provides for an income or franchise tax credit for La. taxpayers for investment in state-certified productions for sound recordings earned at the time expenditures are made on a state-certified production. The amount of the credit is equal to 25% of the base investment made by the investor in excess of \$15,000, or in excess of \$5,000 for investors who are La. residents. Additionally provides for a credit equal to 10% of base investment expended on payroll for La. residents employed in connection with a state-certified production. Present law provides an annual program cap of \$3 million.

Present law (R.S. 47:6025) provides for an income tax credit for the amount of surcharges, market equalization charges, or assessments paid by a taxpayer for the La. Citizens Property Insurance Corporation assessments due to Hurricanes Katrina and Rita.

Present law (R.S. 47:6026) provides for an income or corporation franchise tax credit for certain heritage-based cottage industries located or to be located in the Cane River Heritage Area Development Zone. The credit is equal to an amount up to \$1,500 per contract award and an additional \$1,500 credit for each new employee hired during the taxable year for which the credit is claimed.

Present law (R.S. 47:6030) provides for an income tax credit for the cost of purchase and installation of a solar electric or thermal system, or by a third party through a lease with the owner of a residence. The amount of the credit for the installation of the system on a residence is equal to 50% of the first \$25,000 for the cost of a system purchased and installed

before Jan. 1, 2018. The amount of the credit for a leased system varies based on the cost per watt and the amount of kilowatts of energy the system provides.

Present law (R.S. 47:6032) provides for a refundable income and corporation franchise tax credit for a resident taxpayer engaged in the business of producing milk for sale. The amount of the credit is based on the production and sale of milk below the announced production price over a calendar year in accordance with a schedule provided in present law. Present law caps the total aggregate amount of credits for all producers at \$2.5 million per calendar year and limits the credit allowed for each producer at varying amounts.

Present law (R.S. 47:6034) provides for an individual or corporate income tax credit for qualified production expenditures on investments in a state-certified musical or theatrical production or infrastructure project. For state-certified higher education musical or theatrical infrastructure projects that receive initial certification prior to Jan. 1, 2018, a base investment credit may be earned for expenditures made in the state on or before Jan. 1, 2022, for the construction, repair, or renovation of a new state-certified higher education musical or theatrical facility infrastructure project. No more than \$10 million in tax credits are allowed per project and no more than \$60 million is allowed for all state-certified higher education musical or theatrical infrastructure projects. The credit for an investor is granted in varying amounts.

Present law (R.S. 47:6035) provides for an income tax credit for qualified clean-burning motor vehicle fuel property purchased and installed on certain motor vehicles. The amount of the credit is equal to 50% of the cost of the qualified clean-burning motor vehicle fuel property.

Present law (R.S. 47:6036) provides for an income and corporate franchise tax credit for the total capital costs of a project sponsored or undertaken by a public port and investing companies that have a capital cost of at least \$5 million dollars and at which the predominant trade or business activity conducted will constitute industrial, warehousing, or port and harbor operations and cargo handling, including any port or port and harbor activity. The amount of the investor tax credit is equal to the total amount of capital costs of the project which shall be taken at 5% per tax year. The amount of the import-export cargo tax credit is equal to the product of multiplying \$5 by the taxpayer's number of tons of qualified cargo for the taxable year that exceeds the precertification tonnage.

Present law (R.S. 47:6037) provides an individual income or corporate income tax credit for approved expenditures in the state for the construction, repair, or renovation of a state-certified green project. Present law further provides a \$1 million per project cap and a \$5 million annual program cap. The amount of the credit allowed varies.

Present law provides for an additional tax credit of 10% of the base investment expended on payroll for La. residents employed in connection with the construction of a state-certified green project. The additional 10% tax credit for payroll for La. residents does not apply to that amount in excess of \$1 million in payroll made to a single La. resident. Further allows an additional 1% of the base investment expended on payroll for La. residents who are graduates of certain La. programs.

Present law (R.S. 47:6104) provides for an individual income tax credit for child care expenses based on the quality rating of the child care facility which the child attends. The amount of the credit is a percentage of a credit provided for in present law and varies depending on the quality rating of the child care facility.

Present law (R.S. 47:6105) provides for a refundable income or corporation franchise tax credit for child care providers. The amount of the credit is equal to an amount based upon the average monthly number of children who either participate in the Child Care Assistance Program or who are foster children and who are attending a child care facility operated by

the child care provider, multiplied by an amount that is based upon the quality rating of each child care facility operated by the child care.

Present law (R.S. 47:6106) provides for a refundable individual income tax credit for eligible child care directors and eligible child care staff. The amount of the credit varies based upon the qualifications of the provider.

Present law (R.S. 47:6107) provides for a refundable income or corporation franchise tax credit for eligible business child care expenses supported by a business. The amount of the credit shall be based on a percentage of eligible business child care expenses depending upon the quality rating of the child care facility to which the expenses are related or the quality rating of the child care facility the child attends. Present law provides for an additional refundable income or corporation franchise tax for the payment by a business of fees and grants to child care resource and referral agencies not to exceed \$5,000 per tax year.

Present law (R.S. 51:1787) provides for a refundable investment income tax credit for state income or corporate franchise tax liability for qualified expenditures made by a taxpayer in the economic development of qualified enterprise zones. The amount of the credit is 1.5% of the amount of the qualified expenditure. An additional credit of \$2,500 is allowed for each net new employee. A \$5,000 credit for each new job created is allowed for certain specific industries in lieu of this \$2,500 credit.

Present law (R.S. 51:1807) provides for an income or franchise tax credit for businesses located in an urban revitalization zone. The credit is equal to \$5,000 per net new employee. The credit received pursuant to present law is in lieu of any incentive received under the Enterprise Zone Program.

Present law (R.S. 51:1924) provides an income tax credit for a taxpayer who invests in the certified capital of a certified La. capital company. The credit is equal to 35% of the taxpayer's cash investment.

Present law (R.S. 51:2354) provides an income and corporation franchise tax credit for investments by the taxpayer in commercialization costs for certain business locations. The amount of the credit is equal to 40% of the amount of money invested. Further provides a credit for qualified new direct jobs. The credit is equal to 5% multiplied by the gross payroll of the qualified new direct jobs.

Present law (R.S. 51:2399.3) provides for an income or corporation franchise tax credit for amounts of qualified expenditures incurred by an employer for modernization. The amount of the credit is equal to 5% of the amount of qualified expenditures. Further provides an annual program cap of \$10 million.

Proposed law eliminates all individual income tax credits, deductions, exclusions, and exemptions for taxable years beginning on or after January 1, 2015. For those credits that require a contract with the department, prohibits any new contracts from being entered into after July 1, 2015.

Effective if and when the proposed amendment of Article VII of the Constitution of Louisiana contained in the Act which originated as House Bill No. 264 of this 2015 Regular Session of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 17:3095(A)(1)(b) and (c) and R.S. 47:32(A)(intro. para.), 33(A), 37(H), 44.1, 44.2, 48, 59.1(A), 79(A) and (B)(1) and (5), 287.755(H), 293(2)(a)(i), (3)(c), (7)(a), (9)(a)(intro. para.), and (10), 294, 297(A), (B), (C)(1), (D)(intro. para.), (F), (H)(1), (I)(intro. para.), (J)(1), (K)(1), (L)(1), (M)(1), (N)(1), O, (P)(1), 297.2, 297.3(A), 297.4(A)(intro. para.), 297.5, 297.6(A)(1)(intro. para.) and (C), 297.8(A), 297.9(A), 297.10(A), 297.11, 297.12(A), 300.6(A), 300.7(A), 6005(D), 6104(A)(intro. para.), and 6105; Adds R.S. 17:3095(I) and R.S. 47:33(C), 59.1(C), 79(F), 293(3)(d), (7)(e), and (9)(f), 297(Q), 297.3(D),

297.4(C), 297.8(C), 297.9(D), 297.10(C), 297.12(C), 300.6(C), 300.7(D), 6004(C), 6005(G), 6006(E), 6006.1(G), 6007(G), 6008(D), 6009(F), 6012(F), 6014(F), 6015(K), 6016.1(N), 6017(C), 6018(F), 6019(D), 6022(D)(3), 6023(C)(4), 6025(D), 6026(E)(3), 6030(H), 6032(H), 6034(K), 6035(H), 6036(K), 6037(I), 6104(D), 6106(E), and 6107(C) and R.S. 51:1787(K), 1807(F), 1924(H), 2354(D), 2399.3(C), and 3085(F))