AN ACT

To amend and reenact R.S. 47:33 and Section 4 of Act No. 109 of the 2015 Regular Session of the Legislature as amended by Act No. 6 of the 2018 Second Extraordinary Session of the Legislature, relative to income tax credits and deductions; to provide with respect to the income tax credit for taxes paid to other states; to provide with respect to the deduction for taxes paid to other states; to provide for certain requirements and limitations; to repeal certain limitations; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:33 is hereby amended and reenacted to read as follows:

§33. Credit for taxes paid in other states

A. Subject to the following conditions, resident individuals shall be allowed a credit against the taxes imposed by this Chapter for net income taxes imposed by and paid to another state on income taxable under this Chapter, provided that:

(1) The credit shall be allowed only for taxes paid to the other state on income which is taxable under its law irrespective of the residence or domicile of the recipient.

(2) If accrued taxes when paid differ from the amounts claimed as credits by the taxpayer, or if any tax paid is refunded in whole or in part, the taxpayer shall notify the secretary who shall redetermine the amount of the tax for the year or years affected, and the amount of tax due upon such redetermination, if any, shall be paid by the taxpayer upon notice and demand by the secretary, or the amount of tax overpaid, if any, shall be credited or refunded to the taxpayer in accordance with the provisions of R.S. 47:261 et seq. In the case of such tax accrued but not paid, the secretary as a condition precedent to the allowance of this credit may require the taxpayer to give a bond with sureties approved by the secretary in such sum as the
secretary may require, conditioned upon the payment by the taxpayer of any amount
of tax found due upon any such redetermination, and the bonds herein prescribed
shall contain such further conditions as the secretary may require.

(3) The credits provided for in this Section shall be allowed only for the
same taxable period as that for which the tax liability to the other state arose,
irrespective of the method of accounting employed by the taxpayer. No deduction
shall be allowed under R.S. 47:55 for any net income taxes paid to another state if
any portion of such tax has been claimed as a credit under this Section.

(4) The credit shall be allowed only if the other state provides a similar credit
for Louisiana income taxes paid on income derived from property located in, or from
services rendered in, or from business transacted in Louisiana:

(5)(a) The credit shall be limited to the amount of Louisiana income tax that
would have been imposed if the income earned in the other state had been earned in
Louisiana.

(b) The credit shall not be allowed for tax paid on income that is not subject
to tax in Louisiana. The amount of the credit shall not exceed the ratio which shall
be determined by multiplying the taxpayer's Louisiana income tax liability before
consideration of any credit described in this Section by a fraction, the numerator of
which is the taxpayer's Louisiana tax table income attributable to other states to
which net income taxes were paid by a resident individual, and the denominator of
which is total Louisiana tax table income.

(6) (5) The credit shall not be allowed for income 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.

(7)(6)(a) For taxes paid on or after January 1, 2018, an individual partner,
member, or shareholder that pays another state's entity-level tax that is based solely
upon net income included in the entity's federal taxable income without any capital
component shall be allowed a deduction equal to their proportionate share of the
entity-level tax paid.

(b) The deduction pursuant to this Paragraph shall be allowed only to the
extent that the proportionate share of the related income on the tax paid to the other
state is included in the calculation of Louisiana taxable income that is reported on
the Louisiana return of the individual partner or member.

(c) The deduction authorized pursuant to the provisions of this Paragraph
shall be in lieu of and not in addition to the credit authorized in this Section.

Section 2. Section 4 of Act No. 109 of the 2015 Regular Session of the Legislature
as amended by Act No. 6 of the 2018 Second Extraordinary Session of the Legislature is
hereby amended and reenacted to read as follows:

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Section 4. The provisions of Sections 1, 3, and 4 and 3 of this Act shall
become effective on July 1, 2015, and shall remain effective through June 30, 2023,
at which time the provisions of Sections 1 and 3 of this Act shall become null, void,
and of no effect. The provisions of Section 4 of this Act shall become effective on
July 1, 2015. The provisions of Section 2 of this Act shall become effective on July
1, 2023 not become effective.

Section 3. The provisions of Section 1 of this Act shall be applicable to taxable years
beginning on or after January 1, 2023.

Section 4. This Act shall become effective upon signature by the governor or, if not
signed by the governor, upon expiration of the time for bills to become law without signature
by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
vetoed by the governor and subsequently approved by the legislature, this Act shall become
effective on the day following such approval.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: ____________________

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