

CONFERENCE COMMITTEE REPORT

HB 402

2015 Regular Session

Stokes

June 11, 2015

To the Honorable Speaker and Members of the House of Representatives and the Honorable President and Members of the Senate.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning House Bill No. 402 by Representative Stokes, recommend the following concerning the Engrossed bill:

1. That Senate Committee Amendment No. 1 proposed by the Senate Committee on Finance and adopted by the Senate on June 4, 2015, be adopted.
2. That Senate Committee Amendment Nos. 2 and 3 proposed by the Senate Committee on Finance and adopted by the Senate on June 4, 2015, be rejected.
3. That the set of Senate Floor Amendments proposed by Senator Adley and adopted by the Senate on June 5, 2015, be rejected.
4. That the following amendments to the engrossed bill be adopted:

AMENDMENT NO. 1

On page 2, delete lines 5 through 9 in their entirety and insert the following:

"Section 2. R.S. 47:33(A)(4) through (6) are hereby repealed in their entirety.

Section 3. (A) Except as provided for in Subsection (B) of this Section, the provisions of Section 1 of this Act shall apply to a claim for a tax credit made on a return filed on or after July 1, 2015, regardless of the taxable year to which the return relates.

(B) The provisions of Section 1 of this Act shall not apply to an amended return filed on or after July 1, 2015, relating to a claim for a tax credit properly claimed on an original return filed prior to July 1, 2015.

(C) If a return is filed after July 1, 2015, for which a valid filing extension has been allowed prior to July 1, 2015, then any portion of a tax credit disallowed by the provisions of Section 1 of this Act shall be allowed as a tax credit in the amount of one-third of the disallowed portion of the tax credit on the taxpayer's return for each of the taxable years beginning during calendar years 2017, 2018, and 2019.

Section 4. The provisions of Sections 1 and 3 of this Act shall become effective on July 1, 2015, and shall remain effective through June 30, 2018, 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, 2018."

Respectfully submitted,

Representative Joel C. Robideaux

Senator Jack Donahue

Representative Julie Stokes

Senator Robert Adley

Representative Barry Ivey

Senator Dan Claitor

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)]

CONFERENCE COMMITTEE REPORT DIGEST

HB 402

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Keyword and oneliner of the instrument as it left the House

TAX/INCOME TAX: Adds requirements for eligibility for the income tax credit for taxes paid in other states

Report adopts Senate amendments to:

1. Limit the credit to the amount that would have been imposed if the income had been earned in La.

Report rejects Senate amendments which would have:

1. Added an exception from proposed law for a credit claimed on an amended return filed on or after July 1, 2015, that relates to an original return filed on or prior to July 1, 2015, that properly claimed an exemption, credit, rebate, or deduction.
2. Added authorization for a credit not allowed pursuant to proposed law that is properly claimed on a return filed on or after July 1, 2015, pursuant to an extension of time to file granted prior to July 1, 2015, to be taken as a credit in one-third increments in each of the taxpayer's tax years beginning during calendar years 2017, 2018, and 2019.

Report amends the bill to:

1. Repeal proposed law effective July 1, 2018.
3. Add applicability provisions for Section 1 of proposed law to apply to a claim for a tax credit made on a return filed on or after July 1, 2015, regardless of the taxable year to which the return relates, subject to certain exceptions.
4. Add an exception from applicability of proposed law for an amended return filed on or after July 1, 2015, that relates to a claim for a tax credit properly claimed on an original return filed prior to July 1, 2015.
5. Add authorization for the future taking of a credit claimed on a return filed after July 1, 2015, for which a valid filing extension has been allowed prior to July 1, 2015, but disallowed pursuant to proposed law. The credit may be taken in increments of one-third of the amount of the credit on the taxpayer's return for each of the taxable years beginning during calendar years 2017, 2018, and 2019.

Digest of the bill as proposed by the Conference Committee

Present 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.

- (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., except that the gross receipts taxes paid to another state shall not be subject to this requirement.
- (2) The credit shall be limited 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.
- (3) 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, with the exception of a gross receipts tax paid to another state.

Proposed law further provides that a credit not allowed pursuant to proposed law on a return filed after July 1, 2015, pursuant to an extension of time to file granted prior to July 1, 2015, must 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 proposed law on an original return that was filed on or prior to July 1, 2015.

Effective July 1, 2018 for the repeal of proposed law.

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