

HOUSE SUMMARY OF SENATE AMENDMENTS

HB 57

2016 First Extraordinary Session

Stokes

TAX CREDITS: Repeals three-year sunset on certain eligibility requirements relative to the income tax credit for net taxes paid to other states (Item #13)

Synopsis of Senate Amendments

1. Add provisions that authorize individual partners or members of entities who pay another state's entity level tax that does not have a capital component, to take the credit for their proportionate share of the entity level tax paid on or after Jan. 1, 2016.

Digest of Bill as Finally Passed by Senate

HB 57 Engrossed

2016 First Extraordinary Session

Abstract: Removes the three-year sunset provision of Act No. 109 of the 2015 R.S. of the Legislature relative to the individual income tax credit for net taxes paid to other states.

Present law authorizes an individual income tax credit in an amount equal to income taxes paid for the same taxable period to another state on income that is subject to La. tax if the other state authorizes a similar credit.

Present law authorizes a credit for three years in an amount of the lesser of the actual amount of tax paid to the other state or the amount of La. income tax that would have been imposed if the income had been earned in La.

Present law sunsets in three years, those provisions of present law that require the state to which income taxes were paid to authorize a similar credit and that the credit amount be the lesser of the actual amount of tax paid to the other state or the amount of La. income tax that would have been imposed if the income had been earned in La.

Proposed law repeals the three-year sunset provisions of present law thereby making the provisions of present law permanent.

Proposed law authorizes the credit in present law for individual partners or members of entities who pay another state's entity level tax that does not have a capital component, to take the credit for their proportionate share of the entity level tax paid on or after Jan. 1, 2016.

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

(Amends §4 of Act No. 109 of the 2015 R.S.; Adds R.S. 47:33(A)(7); Repeals §2 of Act No. 109 of the 2015 R.S.)