
DIGEST

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HB 444 Original

2021 Regular Session

Bishop

Abstract: Terminates certain income, corporate franchise, severance, sales and use, severance, tobacco, petroleum product, alcohol tax exemptions, exclusions, credits, deductions, reductions, rebates, and other tax incentives.

Present law provides for a tax to be assessed, levied, collected, and paid upon the taxable income of an individual at the following rates:

- (1) 2% on the first \$12,500 of net income.
- (2) 4% on the next \$37,500 of net income.
- (3) 6% on net income in excess of \$50,000.

Present law provides for a tax to be assessed, levied, collected, and paid on the La. taxable income of an estate or trust at the following rates:

- (1) 2% on the first \$10,000 of La. taxable income.
- (2) 4% on the next \$40,000 of La. taxable income.
- (3) 6% on La. taxable income in excess of \$50,000.

Present law requires that the tax to be assessed, levied, collected, and paid on the La. taxable income of every corporation is to be computed at the following rates:

- (1) 4% on the first \$25,000 of La. taxable income.
- (2) 5% on La. taxable income above \$25,000 but not in excess of \$50,000.
- (3) 6% on La. taxable income above \$50,000 but not in excess of \$100,000.
- (4) 7% on La. taxable income above \$100,000 but not in excess of \$200,000.
- (5) 8% on all La. taxable income in excess of \$200,000.

Present law provides for various individual and corporation tax incentives in the form of deductions,

exemptions, exclusions, and credits. Further provides that various credits apply against individual and corporation income and corporation franchise tax liability including, but not limited to:

- (1) Qualified new recycling manufacturing or process equipment and service tax exemption contracts.
- (2) Tax credits for local inventory taxes paid.
- (3) Tax credits for taxes paid related to vessels in Outer Continental Shelf Lands Act waters.
- (4) Tax credits for donations made to assist playgrounds in economically depressed areas.
- (5) Tax credits for donations made to public schools.
- (6) Tax credits for property taxes paid by certain telephone companies.
- (7) Tax credit for research and development businesses in La.
- (8) Tax credits for businesses established in disadvantaged areas of La. for the purpose of attracting private sector investment.
- (9) Tax credits for certain expenses paid by economic development corporations.
- (10) Tax credits for purchases from prison industry enhancement contractors.
- (11) Tax credits for the rehabilitation of historic structures.
- (12) Tax credits for angel investors.
- (13) Tax credits for businesses producing digital and interactive media products.
- (14) Tax credits for businesses in the music and sound recording industry.
- (15) Tax credits for Louisiana Citizens Property Insurance Corporation assessment.
- (16) Tax credits for certain investors in the Cane River Heritage Area.
- (17) Tax credits for donations to certain certified community development corporations.
- (18) Tax credits for certain milk producers.
- (19) Tax credits for musical and theatrical productions.
- (20) Tax incentives for urban revitalization.
- (21) Tax credits for technology commercialization and jobs.

(22) Tax credits for certain individuals or businesses that invest in Louisiana Community Development Financial Instructions.

(23) Tax credits for donations to certain school tuition organizations.

Proposed law repeals the deductions, exemptions, exclusions, and credits provided for in present law.

Present law imposes a tax on natural resources severed from the soil or water based upon quantity or value of the products or resources severed.

Present law provides oil and condensate shall be taxed at a rate of 12.5% of its value at the time and place of severance.

Present law provides oil produced from an incapable well shall be taxed at a reduced rate equal to one half of the present rate for oil established in present law (R.S. 47:633(a)) which equates to 6.25% of its value at the time and place of severance.

Proposed law repeals present law.

Present law provides oil produced from a stripper well shall be taxed at a reduced rate equal to one quarter of the present rate for oil established in present law (R.S. 47:633(a)) which equates to 3.125% of its value at the time and place of severance.

Proposed law repeals present law.

Present law provides oil produced from an inactive well shall be taxed at a reduced rate equal to one half of the present rate for oil established in present law (R.S. 47:633(a)) which equates to 6.25% of its value at the time and place of severance.

Proposed law repeals present law.

Present law provides oil produced from an orphan well shall be taxed at a reduced rate equal to one half of the present rate for oil established in present law (R.S. 47:633(a)) which equates to 6.25% of its value at the time and place of severance.

Proposed law repeals present law.

Present law provides for certain severance tax suspensions on horizontally drilled wells, certain inactive wells, and certain deep wells.

Proposed law repeals present law.

Present law provides the definition of value, for purposes of calculating severance tax, as the higher of (1) gross receipts received from the first purchases, less charges for trucking, barging, and pipeline

fees, or (2) the posted field price.

Present law imposes state sales and use taxes on the sale, use, lease, or rental of tangible personal property pursuant to the following levies in the following amounts:

- (1) R.S. 47:302 - 2%
- (2) R.S. 47:321 - 1%
- (3) R.S. 47:321.1 - .45%
- (4) R.S. 47:331 - .97%
- (5) R.S. 51:1286 - .03%

Present law provides for various state sales and use tax exclusions and exemptions.

Proposed law repeals certain exclusions and exemptions in present law.

Present law levies a tax on certain petroleum products. Further provides for an exemption for casinghead gasoline and aviation gasoline. Proposed law repeals present law exemptions.

Present law levies a tax on certain tobacco products. Further provides for an exemption for sales of tobacco products to state institutions. Proposed law repeals present law exemption.

Present law levies a tax on certain alcohol products. Further provides for an exemption for sales of alcohol for antiseptic, scientific, religious, and chemical uses. Proposed law repeals present law exemption.

Effective Jan. 1, 2025.

(Amends R.S. 3:84 and 147, R.S. 4:168 and 227, R.S. 22:2065, R.S. 33:4169(D), R.S. 47:182, 223, 301(1), (16)(a) and (b), 302.1(A), 337.6, 337.9(A), (B), (C)(1), through (9), (11) through (18) and (21) through (26), and (D)(1) through (14), (16) through (27), (29), and (31) through (34), 337.10(A)(intro. para.), (E), (G), (I)(1), (M), (N), and (P), 337.11 (intro. para.), (1), (2), and (12), 337.15(B)(2), 6001(A), 6007(I), 6019(A)(1)(a), 6020(H), 6034(K) and 9052(E), and R.S. 51:1787(L) and 1924(A); Adds R.S. 39:467(I) and 468(I), R.S. 47:305.25(D), 305.37(C), 305.54(H), 305.58(G), 305.62(G), 3204(M), and 4302(E), and R.S. 51:2399.3(C); Repeals R.S. 6:662, R.S. 12:302(L), R.S. 17:3095(A)(1)(b) and (c), 3098(E) and 3389, R.S. 25:1226 through 1226.6, R.S. 26:421, R.S. 47:8, 11, 12, 33(A)(7), 34, 35, 37, 44, 44.2, 48 through 51, 53 through 71, 79, 111(A)(11), 121, 158, 183, 224(C), 226(C), 246, 265, 287.71(B)(2), (6), and (8), 287.73(C), 287.82, 287.86, 287.501(B), 287.521, 287.526, 287.664, 287.732(B) and (C), 287.732.2, 287.738(F) and (G), 287.743, 287.745, 287.748, 287.749, 287.752, 287.753, 287.755, 287.756, 287.758, 287.759, 293(2)(a), (3), (5), (7), (9)(a)(vi), (x), and (xvii), and (11), 294(B), 297(A) through (D) and (H) through (P), 297.1 through 297.4, 297.6 through 297.14, 300.6(B)(2)(b) and (d), 300.7 (C)(2), 301(3)(a) through (c), (e), (g) through (k), (4)(i), and (k), (6)(b) and (c), (7)(b) through (h) and (j) through (l), (8)(b) and (d)

through (f), (10)(a), (b), (c)(i)(aa)(II) and (bb) and (ii), (d), (e), (h) through (s), (v), and (w) through (hh), (13)(a) through (c) and (e) through (m), (14)(b)(i)(bb), (ii) through (iv), (g)(iii) and (iv), (h), (j) and (k), (16)(c), (e) through (p), (18)(a), (c), (d)(ii) and (e) through (p), and (28), 301.1(B)(2) and (D), 302(D), 305(A)(1) through (C), (D)(1)(a) through (i), (k) through (m), (s), and (t), and (2) through (6), and (F) through (I), 305.1 through 305.9, 305.13 through 305.24, 305.26, 305.28, 305.33, 305.36, 305.38, 305.40, 305.45, 305.47, 305.49 through 305.53, 305.57, 305.59 through 305.61, 305.63, 305.65 through 305.71, 305.74, 337.9(C)(19) and (20) and (D)(28), 337.10.2, 602(B) through (H), 608, 633(7)(b) through (d), (9)(b), (c), (d)(v), and (e), 633.5, 648.21, 713, 716.1, 818.14(A)(3), 855, 6003, 6005, through 6006.1, 6008 through 6018, 6021 through 6023, 6025 through 6032, 6036, 6037, 6040, 6104 through 6107, and 6301 and R.S. 51:1801 through 1808, 2351 through 2356, and 3081 through 3094)