

## DIGEST

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SB 28 Reengrossed

2025 Regular Session

Talbot

Proposed law authorizes a nonrefundable credit against income taxes for resident taxpayers who retrofit their residential property with a fortified roof meeting or exceeding the fortified roof standard established by the Insurance Institute for Business and Home Safety.

Proposed law defines the terms "department", "qualified expenses", "qualifying property", and "secretary" for purposes of the tax credit program.

Proposed law provides that the credit is equal to the amount of qualified expenses paid by the resident taxpayer and certified by the Insurance Institute for Business and Home Safety, hereinafter "department", not to exceed \$10,000 per resident taxpayer.

Proposed law provides that the credit is earned when certified by the Insurance Institute for Business and Home Safety. Further provides that no qualifying property may receive more than one tax credit authorized pursuant to proposed law.

Proposed law limits the amount of credits that may be granted in a fiscal year to \$10M. Further provides credits are issued on a first-come, first-serve basis and that if the total amount of credits issued exceeds the amount of credits authorized for tax year, the excess is treated as having been applied for on the first day of the subsequent year.

Proposed law requires that all requests received on the same day are to be treated as received at the same time. Further requires the department to issue credits on a pro rata basis if the amount of requests received on a single business day exceeds the total amount available tax credits.

Proposed law requires that the credit be allowed against the income tax for the taxable period in which the credit is earned. Further provides that if the tax credit allowed exceeds the amount of tax due, that any unused credit may be carried forward against subsequent income tax liability for a period not to exceed three years.

Proposed law requires a resident taxpayer to apply for the tax credit by electronically submitting an application to the Dept. of Revenue (DOR) on a form prescribed by the secretary. The application period shall begin on Jan. 1<sup>st</sup> and conclude on June 30<sup>th</sup> of the calendar year following the calendar year in which the credit is earned. Proposed law requires the taxpayer to submit a copy of the certificate issued by the Insurance Institute for Business and Home Safety certifying compliance with the fortified roof building standards including the amount of qualified expenses paid by the taxpayer to DOR when applying for the tax credit.

Proposed law provides for the recovery and recapture of credits by the secretary of the Dept. of Revenue under certain circumstances. Further limits the amount of interest that may be assessed and collected on recovered or recaptured credits.

Proposed law requires the department to promulgate rules for program eligibility and any other matters necessary to carry out the intent of the program.

Proposed law prohibits a taxpayer from receiving a tax credit for any grant amount received under the Louisiana Fortify Homes Program (R.S. 22:1483.1). Further prohibits a taxpayer from receiving any other state tax credit, exemption, exclusion, deduction, or any other tax benefit for which the taxpayer received a credit pursuant to proposed law.

Proposed law requires regulations relative to the La. Fortify Homes Program, other than those relative to application for and receipt of grant funds, to apply to the administration of the credit provided for in proposed law.

Proposed law prohibits any credits from being earned after December 31, 2031.

Applicable to qualifying expenses paid on or after July 1, 2025.

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

(Adds R.S. 47:6044)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Remove language regarding the purpose of the tax credit program.
2. Prohibit a qualifying property from receiving more than one tax credit.
3. Provide a cap on the total amount of credits that may be granted in a fiscal year of \$10M.
4. Provide for the administration of the fiscal year cap.
5. Change the carry forward period from a five-year period to a three-year period.
6. Change how interest is calculated for recaptured credits.
7. Prohibit the stacking of the credit with any other state tax credit, exemption, exclusion, deduction, or any other tax benefit.
8. Make technical changes.

Senate Floor Amendments to engrossed bill

1. Replace the Dept. of Insurance with the Dept. of Revenue for purposes of the credit.
2. Replace the certifying entity for purposes of the credit from the Dept. of Insurance to the Insurance Institute for Business and Home Safety.
3. Require taxpayer to submit a certification from Insurance Institute for Business and Home Safety to the department certifying compliance with the fortified roof building standards.
4. Remove provisions related to issuance of a credit certification letter to the taxpayer and submission of the certification letter to the secretary.
5. Make technical changes.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the reengrossed bill:

1. Add requirement that applications for the tax credit be submitted electronically and for all required documentation to be attached to the tax credit application.

2. Add a tax credit application period that begins on January first and concludes on June 30<sup>th</sup> of the calendar year following the calendar year in which the credit is earned.
3. Add requirement that the certificate submitted by the tax credit applicant from the Insurance Institute for Business and Home Safety also include the amount of qualified expenses paid by the taxpayer when applying for the tax credit.
4. Change provisions for the promulgation of rules from a requirement to an option if the promulgation of rules are necessary.
5. Provides that all regulations relative to the La. Fortify Homes Program, other than those related to applying for and receiving grant funds, shall apply to the administration of the tax credit provided for in proposed law.