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## DIGEST

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HB 312 Original

2017 Regular Session

Stokes

**Abstract:** Removes the three-year sunset provision relative to the individual income tax credit for net taxes paid to other states and authorizes the credit for individual partners or members of certain entities who pay another state's entity level tax for their proportionate share of the entity level tax paid on or after Jan. 1, 2018.

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 to individual partners or members of entities who pay another state's entity level tax that is based solely on the income in the entity's federal taxable income and does not include a capital component, equal to 50% of their proportionate share of the entity level tax paid on or after Jan. 1, 2018.

Proposed law prohibits a credit under proposed law for a state's entity level tax if the proportionate share of the related income and the tax paid to the other state is not included in the calculation of La. taxable income reported on the La. return of the individual partner or member.

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

(Amends R.S. 47:33(A)(4) and §4 of Act No. 109 of the 2015 R.S.)