

2020 Second Extraordinary Session

SENATE BILL NO. 72

BY SENATOR TALBOT

TAX/INCOME/CORPORATE. Authorizes an income tax credit for certain businesses whose operations were interrupted as a result of the COVID-19 pandemic. (gov sig) (Items #26 and #65)

1 AN ACT

2 To enact R.S. 47:6041, relative to income tax credits; to authorize an income tax credit for
3 certain businesses; to provide for the amount of the credit; to provide for
4 requirements and limitations; to provide for the claiming of credits; to provide for
5 applicability; to provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:6041 is hereby enacted to read as follows:

8 **§6041. Tax credit for restaurants and bars affected by the COVID-19**
9 **pandemic; 2020 tax year**

10 **A. There shall be allowed a one-time refundable credit against Louisiana**
11 **income tax for a portion of the state license or permit fees imposed by the**
12 **commissioner of alcohol and tobacco control and paid by the owners or**
13 **operators of restaurant establishments and establishments licensed to sell or**
14 **serve alcoholic beverages for consumption on their premises by paying**
15 **customers.**

16 **B. (1) The amount of the credit shall equal the amount of the annual state**
17 **license or permit fee for calendar year 2020 attributable to any calendar month,**

1 or fraction thereof, during 2020 that the permit holder was required to
2 temporarily close operations pursuant to Proclamation Number 30 JBE 2020,
3 or any subsequent proclamation declaring the existence of a statewide COVID-
4 19 public health emergency.

5 (2) The credit authorized pursuant to the provisions of this Section shall
6 apply to licenses or permits issued on a two-year basis if any part of the license
7 or permit authorized the business to be operational during calendar year 2020
8 and the amount of the credit shall be determined as provided in Paragraph
9 (C)(1) of this Section.

10 C. Credits may be claimed in accordance with the following:

11 (1) Any entity taxed as a corporation for Louisiana income tax purposes
12 shall claim any credit authorized according to the provisions of this Section on
13 its corporation income and franchise tax return.

14 (2) Any individual, estate, or trust shall claim any credit authorized
15 according to the provisions of this Section on its income tax return.

16 (3) Any entity not taxed as a corporation shall claim any credit
17 authorized according to the provisions of this Section on the returns of the
18 partners or members as follows:

19 (a) Corporate partners or members shall claim their share of the credit
20 on their corporation income tax or franchise tax returns.

21 (b) Individual partners or members shall claim their share of the credit
22 on their individual income tax or franchise tax returns.

23 (c) Partners or members that are estates or trusts shall claim their share
24 of the credit on their fiduciary income tax returns.

25 Section 2. This Act shall become effective upon signature by the governor or, if not
26 signed by the governor, upon expiration of the time for bills to become law without signature
27 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
28 vetoed by the governor and subsequently approved by the legislature, this Act shall become
29 effective on the day following such approval.

The original instrument was prepared by Leonore Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by LG Sullivan.

DIGEST

SB 72 Reengrossed

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Talbot

Proposed law authorizes a one-time refundable income tax credit for a portion of annual state license or permit fees imposed by the commissioner of alcohol and tobacco control and paid by the owners or operators of restaurant establishments and establishments licensed to sell or serve alcoholic beverages for consumption on their premises by paying customers.

Proposed law provides that the amount of the credit shall equal the amount of the annual state license or permit fee for calendar year 2020 attributable to months in which the license or permit holder was closed due to a COVID-19 related gubernatorial proclamation. If a license or permit is issued on a two-year basis, the credit shall be allowed if any part of the license or permit authorized the business to be operational during calendar year 2020 and the credit will be the amount of the fee attributable to a closure due to a COVID-19 related gubernatorial proclamation.

Proposed law provides that unused amounts of the tax credit may be carried forward as a tax credit against subsequent La. income tax liability for a period not to exceed three years and provides for the claiming of the credit.

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

(Adds R.S. 47:6041)

Summary of Amendments Adopted by SenateSenate Floor Amendments to engrossed bill

1. Make technical corrections.