

SENATE COMMITTEE AMENDMENTS

2023 Regular Session

Amendments proposed by Senate Committee on Revenue and Fiscal Affairs to Original Senate Bill No. 89 by Senator Stine

AMENDMENT NO. 1

On page 1, line 2, after "R.S. 47:293(9)(a)(xvii)" and before the comma "," insert "and (10) and to enact R.S. 47:293.1"

AMENDMENT NO. 2

On page 1, line 3, after "net capital gain;" delete the remainder of the line and delete line 4 in its entirety and insert "to require the Department of Revenue to promulgate regulations relative to the net capital gains deduction;"

AMENDMENT NO. 3

On page 1, line 7, after "R.S. 47:293(9)(a)(xvii)" delete the remainder of the line and insert "and (10) are hereby amended and reenacted and R.S. 47:293.1 is hereby enacted to read as"

AMENDMENT NO. 4

On page 2, line 8, after "exchange." delete the remainder of the line and delete lines 9 through 11 in their entirety and insert "**The Department of Revenue shall promulgate regulations in accordance with R.S. 47:293.1 relative to the individual income tax deduction for income from net capital gains pursuant to this Item.** The"

AMENDMENT NO. 5

On page 2, between lines 13 and 14, insert the following:

"(10) "Tax table income", for nonresident individuals, means the amount of Louisiana income, as provided in this Part, allocated and apportioned under the provisions of R.S. 47:241 through 247, plus the total amount of the personal exemptions and deductions already included in the tax tables promulgated by the secretary under authority of R.S. 47:295, less the proportionate amount of excess federal itemized personal deductions; the temporary teacher deduction; the recreation volunteer and volunteer firefighter deduction; the construction code retrofitting deduction; any gratuitous grant, loan, or other benefit directly or indirectly provided to a taxpayer by a hurricane recovery entity if such benefit was included in federal adjusted gross income; any gratuitous grant, loan, rebate, tax credit, advance refund, or other qualified disaster relief benefit directly or indirectly provided to a taxpayer by the state or federal government as a COVID-19 relief benefit as defined in R.S. 47:297.16 if the benefit was included in the taxpayer's federal adjusted gross income; the exclusion provided for in R.S. 47:297.3 for S Bank shareholders; the deduction for expenses disallowed by 26 U.S.C. 280C; salaries, wages, or other compensation received for disaster or emergency-related work rendered during a declared state disaster or emergency; wages of nonresident individuals who are eligible for the mobile workforce exemption pursuant to R.S. 47:248; the deduction for net capital gains; the pass-through entity exclusion provided in R.S. 47:297.14; the exemption for military survivor benefit plan payments pursuant to R.S. 47:297.17; and personal exemptions and deductions provided for in R.S. 47:294. The proportionate amount is to be determined by the ratio of Louisiana income to federal adjusted gross income. When federal adjusted gross income is less than Louisiana income, the ratio shall be one hundred percent. **The Department of Revenue shall promulgate regulations in accordance with R.S. 47:293.1 relative to the individual income tax deduction for income from net capital gains pursuant to this Paragraph.**

* * *

1 **§ 293.1 Regulation requirement for capital gains deduction**

2 **A. The secretary of the Louisiana Department of Revenue shall**
3 **promulgate regulations providing for the individual income tax deduction for**
4 **income from net capital gains arising from the sale or exchange of an equity**
5 **interest in or substantially all of the assets of a nonpublicly traded corporation,**
6 **partnership, limited liability company, or other business organization**
7 **commercially domiciled in Louisiana under R.S. 47:293(9)(a)(xvii) and (10).**

8 **B. The purpose of the regulations shall be to reduce the existing**
9 **administrative requirements for eligible taxpayers.**

10 **C. Such regulations shall, at a minimum, provide for the following:**

11 **(1) Documentation requirements applicable to taxpayers claiming the**
12 **deduction.**

13 **(2) A de minimus exception to documentation requirements for small**
14 **transactions eligible for the deduction.**

15 **(3) Restrictions on eligibility for transactions if the majority of physical**
16 **assets are located outside of Louisiana.**

17 **(4)Restrictions on eligibility for transactions between related parties."**