

Regular Session, 2013

HOUSE BILL NO. 508

BY REPRESENTATIVE CROMER

TAX CREDITS: Creates an income and corporation franchise tax credit for manufacturers, producers, and importers of medical devices for amounts paid as federal excise taxes on the sale of medical devices

1 AN ACT

2 To enact R.S. 47:6039, relative to tax credits; to authorize a credit against income and  
3 corporation franchise taxes for amounts paid in federal excise taxes by  
4 manufacturers, producers, and importers of certain medical devices; to provide for  
5 definitions; to provide for the amount of the credit; to provide for use of the credit  
6 and other limitations; to provide an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:6039 is hereby enacted to read as follows:

9 §6039. Tax credit for federal excise taxes by manufacturers, producers, and  
10 importers of certain medical devices

11 A. There shall be allowed a credit against any Louisiana income or  
12 corporation franchise tax for the federal excise tax paid on the sale of a medical  
13 device by a manufacturer, producer, or importer of medical devices. The amount of  
14 the credit shall be equal to one hundred percent of the amount of the tax paid. The  
15 credit shall be taken in the taxable period in which the tax was paid. Any unused  
16 credit may be carried forward for a period of thirty-six months from the last day of  
17 the taxable period in which the credit was first claimed. For purposes of this Section  
18 "federal excise tax" means the 2.3% excise tax on medical devices which is imposed

1 under Section 4191 of the Internal Revenue Code pursuant to the Patient Protection  
2 and Affordable Care Act of 2010.

3 B.(1) All entities taxed as corporations for Louisiana income or corporation  
4 franchise tax purposes shall claim any credit allowed under this Section on their  
5 corporation income and corporation franchise tax return.

6 (2) Individuals shall claim any credit allowed under this Section on their  
7 individual income tax return.

8 (3) Entities not taxed as corporations shall claim any credit allowed under  
9 this Section on the returns of the partners or members as follows:

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

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

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

16 C. The provisions of this Act shall be applicable for all taxable periods  
17 beginning on or after July 1, 2013.

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

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Cromer

HB No. 508

**Abstract:** Authorizes an income and corporation franchise tax credit for manufacturers, producers, and importers of medical devices for amounts paid in federal excise tax on the sale of medical devices.

Proposed law authorizes a credit against any La. income or corporation franchise tax for federal excise taxes paid on the sale of a medical device by a manufacturer, producer, or importer of medical devices.

Proposed law provides that the amount of the credit shall be equal to 100% of the amount of the taxes paid. The credit shall be taken in the taxable period in which the tax was paid. Any unused credit may be carried forward for a period of 36 months from the last day of the taxable period in which the credit was first claimed.

Proposed law defines "federal excise tax" as the 2.3% excise tax on medical devices which is imposed under Section 4191 of the Internal Revenue Code pursuant to the Patient Protection and Affordable Care Act of 2010.

Proposed law provides for the manner in which the tax credit can be taken on a tax return, depending upon the taxpayer's filing status.

Proposed law shall be applicable for all taxable periods beginning on or after July 1, 2013.

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

(Adds R.S. 47:6039)