

Regular Session, 2013

SENATE BILL NO. 197

BY SENATORS RISER AND MORRELL AND REPRESENTATIVES BURFORD AND
PATRICK WILLIAMS

TAX/TAXATION. Extends income tax credits for the rehabilitation of certain owner-occupied residential structures and provides for applicability. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:297.6(A)(1) and (4) and to enact R.S. 22:832(F) and R.S.
3 47:297.6(C) and (D), relative to individual income tax credits; to provide for
4 premium tax credits; to extend the taxable periods in which the tax credit shall be
5 applicable; 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. 22:832(F) is hereby enacted to read as follows:

8 §832. Reduction of tax when certain investments are made in Louisiana

9 * * *

10 **F. There shall be a premium tax reduction credit for costs associated**
11 **with the rehabilitation of residential structures, as provided for in R.S. 47:297.6,**
12 **on taxes charged on insurance premiums under this Title including but not**
13 **limited to R.S. 22:345, 439, 831, 836, 837, 838, and 842.**

14 Section 2. R.S. 47:297.6(A)(1) and (4) are hereby amended and reenacted and R.S.
15 47:297.6(C) and (D) are enacted to read as follows

16 §297.6. Reduction to tax due; rehabilitation of residential structures

17 A.(1) There shall be a credit against **premium tax as provided in R.S.**

1 **22:832(F) and** individual income tax liability due under this Title **and under Title**
2 **22 of the Louisiana Revised Statutes of 1950,** for the amount of eligible costs and
3 expenses incurred during the rehabilitation of an owner-occupied residential or
4 owner-occupied mixed use structure located in a National Register Historic District,
5 a local historic district, a Main Street District, a cultural products district, or a
6 downtown development district, or such owner-occupied residential structure which
7 has been listed or is eligible for listing on the National Register, or such structure
8 which has been certified by the State Historic Preservation Office as contributing to
9 the historical significance of the district, or a vacant and blighted owner-occupied
10 residential structure located anywhere in the state that is at least fifty years old. The
11 tax credit authorized pursuant to this Section shall be limited to one credit per
12 structure rehabilitated. The total credit shall not exceed twenty-five thousand dollars
13 per structure. In order to qualify for that credit, the rehabilitation costs for the
14 structure must exceed ten thousand dollars.

15 (a) If the credit is for the rehabilitation of an owner-occupied residential
16 structure, the credit shall be twenty-five percent of the eligible costs and expenses
17 of a rehabilitation for which an application for credit has been filed for the first time
18 after July 1, 2011. If the residential structure is owned and occupied by two or more
19 individuals, the applicable percentage shall be based on the sum of all owner-
20 occupants who contribute to the rehabilitation, and the credit will be divided between
21 the owner-occupants in proportion to their contribution to the eligible costs and
22 expenses.

23 (b) If the credit is for the rehabilitation of a vacant and blighted owner-
24 occupied residential structure that is at least fifty years old, the credit shall be fifty
25 percent of the eligible costs and expenses of a rehabilitation for which an application
26 for credit has been filed for the first time after July 1, 2011.

27 * * *

28 (4) Any excess of the credit portion allowed in a taxable period over the
29 **premium tax or** individual income tax liability for that taxable period against which

1 the credit can be applied shall constitute an overpayment, as defined in R.S.
2 47:1621(A), and the secretary shall make a refund of such overpayment from the
3 current collections of the taxes imposed by Chapter 1 of Subtitle II of this Title, as
4 amended. The right to a refund of any such overpayment shall not be subject to the
5 requirements of R.S. 47:1621(B).

6 * * *

7 **C. All taxpayers required to pay the insurance premium tax under Title**
8 **22 of the Louisiana Revised Statutes of 1950, including but not limited to R.S.**
9 **22:345, 439, 831, 836, 837, 838, and 842 may claim any credit allowed under this**
10 **Section on their annual premium tax statement.**

11 **D. The provisions of this Section shall be effective for the taxable years**
12 **ending prior to January 1, 2018.**

13 Section 3. This Act shall become effective upon signature by the governor or, if not
14 signed by the governor, upon expiration of the time for bills to become law without signature
15 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
16 vetoed by the governor and subsequently approved by the legislature, this Act shall become
17 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Danielle Doiron.

DIGEST

Present law authorizes an individual income tax credit for the amount of eligible costs and expenses incurred during the rehabilitation of an owner-occupied residential or owner-occupied mixed use structure located in a National Register Historic District, a local historic district, a Main Street District, a cultural products district, or a downtown development district, or such owner-occupied residential structure which has been listed or is eligible for listing on the National Register, or such structure which has been certified as contributing to the historical significance of the district, or a vacant and blighted owner-occupied residential structure located anywhere in the state that is at least 50 years old.

Proposed law retains present law and provides that the credit also be applied to the insurance premium tax.

Proposed law authorizes the taxpayer to claim the premium tax credit on their annual premium tax statement.

Proposed law provides that the tax credit is effective for taxable years ending prior to Jan. 1, 2018.

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

(Amends R.S. 47:297.6(A)(1) and (4); adds R.S. 22:832(F) and R.S. 47:297.6(C) and (D))