

**HOUSE SUMMARY OF SENATE AMENDMENTS****HB 449****2015 Regular Session****Robideaux**

**TAX/TAXATION:** Provides relative to calculation of the Louisiana apportionment percent and taxable capital for manufacturers of certain aircraft

**Synopsis of Senate Amendments**

1. Adds the Student Assessment for a Valuable Education (SAVE) Credit Program to the bill.
2. Provides that the credit is a transferable, nonrefundable credit against the tax liability of a student, or his parent or legal guardian, against income, sales and use, gasoline and special fuel taxes.
3. Requires the credit to be transferred to the Board of Regents for application as provided in proposed law.

**Digest of Bill as Finally Passed by Senate**

Present law establishes methods for attributing income to Louisiana for purposes of determining corporate income and corporate franchise taxes for manufacturers. Further provides that for purposes of present law, sales attributable to this state shall include sales where the goods, merchandise, or property are received in this state by the purchaser. Further provides that in the case of delivery of goods by common carrier, the place that goods are ultimately received after all transportation has been completed is considered the place the goods are received by the purchaser.

Proposed law retains present law but adds that for purposes of sales of aircraft manufactured or assembled in this state, the place the aircraft is ultimately received is the place the aircraft is primarily stored when not in use.

Present law requires corporations qualified to do business or actually doing business in this state to pay an annual corporation franchise tax. The amount of the tax varies on the amount of taxable capital of the corporation. Further provides that the determination of taxable capital is based on a formula which includes the ratio of net sales made to customers in the regular course of business and other revenue attributable to La. to the total net sales made to customers in the regular course of business and other revenue. Sales attributable to this state shall include all sales where the goods and merchandise are received by the purchaser. In the case of delivery of goods by common carrier, the place the goods are ultimately received after all transportation has been completed is considered the place the goods are received by the purchaser.

Proposed law retains present law but adds that for purposes of sales of aircraft manufactured or assembled in this state, the place the aircraft is ultimately received shall be the place the aircraft is primarily stored when not in use.

Proposed law establishes the Student Assessment for a Valuable Education (SAVE) Credit Program.

Proposed law requires the Board of Regents (the board) to implement a Student Assessment for a Valuable Education (SAVE) Credit Program for each student enrolling at a public institution of higher education. Each student assessed shall be granted a SAVE credit against income, sales and use, gasoline and special fuel taxes equal to the individual amount of a SAVE assessment. The amount of each credit shall not exceed the average household tax liability in La. for the total of such taxes as determined and published by the Dept. of

Revenue (DOR) no later than June 30th of each fiscal year.

Proposed law provides that the SAVE credit is a transferable, nonrefundable credit against the tax liability of a student, or his parent or legal guardian. Requires the credit to be transferred to the board and used solely as provided in proposed law for each student enrolled in a public institution of higher education on and after July 1, 2015.

Proposed law requires DOR to distribute student eligibility determination criteria to the board to be used for requesting the credit for student assessments from the department. Student eligibility is to be based on the tax liability set forth above paid to the state by all of the students and their parents or legal guardians in the prior year as determined by DOR.

No later than June 30th of each fiscal year, the board is required to certify to DOR the total headcount enrollment at public institutions of higher education in the previous fall. DOR must then determine the total amount of the credit and shall transfer that amount from the current collections of taxes to the treasurer. Upon receipt of the funds, the treasurer is authorized and directed to transfer or deposit the funds into the Higher Education Initiatives Fund. The secretary of DOR and the treasurer shall report their action to the commissioner of administration and the Joint Legislative Committee on the Budget. In no event can the credit or assessment exceed the amount appropriated by the legislature from the Higher Education Initiatives Fund each fiscal year. For FY15-16, the total allowable amount available for transfer shall be designated in the supplementary section of Schedule 19-671 Board of Regents in the Act that originated as HB No. 1 of the 2015 R.S. of the Legislature. The legislature shall determine the total allowable amount available for transfer for FY16-17 and thereafter.

Proposed law requires the board to distribute all funds appropriated from the Higher Education Initiatives Fund derived from the SAVE Credit program pursuant to its formula for the equitable distribution of funds to public institutions of higher education.

Proposed law provides that no student or student's parent or legal guardian shall be required to pay an assessment that is not offset by a SAVE Credit.

Proposed law provides that the tax credit registry is not applicable to the proposed law.

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

(Amends R.S. 47:287.95(F)(3) and 606(A)(1)(a); Adds R.S. 47:6039)