

HOUSE SUMMARY OF SENATE AMENDMENTS

HB 402

2015 Regular Session

Stokes

TAX/INCOME TAX: Adds requirements for eligibility for the income tax credit for taxes paid in other states

Synopsis of Senate Amendments

1. Add an exception regarding the application of proposed law to any claim made on any return filed on or after July 1, 2015, to exclude those claims made on an amended return timely filed that relates to an original return that was filed on or prior to July 1, 2015.
2. Add authorization regarding a credit not allowed pursuant to proposed law on a return filed on or after July 1, 2015, pursuant to an extension of time to file granted prior to July 1, 2015, for the taking of the value of the claim in one-third increments in each of the taxpayer's tax years beginning during calendar years 2017, 2018, and 2019.

Digest of Bill as Finally Passed by Senate

Abstract: Adds requirements relative to eligibility for the individual income tax credit for taxes paid to another state regarding property or activity located in La.

Present law authorizes an individual income tax credit in an amount equal to income taxes which were paid for the same taxable period to another state on income which is subject to La. tax.

Proposed law retains present law and adds the following requirements for eligibility for the tax credit:

- (1) The credit is allowed if the other state provides a similar credit for La. income taxes paid on income derived from property located in La., services rendered in La., and business transacted in La.
- (2) The credit shall be limited to the amount of La. income tax that would have been imposed if the income earned in the other state would have been earned in La.
- (3) The credit shall not be allowed for income taxes paid to a state that allows a nonresident a credit against the income taxes imposed by that state for taxes paid or payable to the state of residence.

Effective July 1, 2015, and applicable to all claims for the tax credit on any tax return filed on or after July 1, 2015, regardless of the taxable year to which the return relates, with the exception of an amended return timely filed on or after July 1, 2015, that relates to an original return that was filed on or prior to July 1, 2015. Further, any credit not allowed pursuant to proposed law on a return filed after July 1, 2015, pursuant to an extension of time to file granted prior to July 1, 2015, must be allowed as follows: One-third of any such credit may be taken as a credit only in each of the taxpayer's tax years beginning during calendar years 2017, 2018, and 2019.

(Adds R.S. 47:33(A)(4)-(6))