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## DIGEST

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HB 123 Original

2016 First Extraordinary Session

Hunter

**Abstract:** Suspends certain tax exemptions during periods of financial exigency.

Proposed law defines "financial exigency" as the period of time during which the state is operating in a budget deficit.

Proposed law directs the secretary of the Dept. of Revenue to suspend during financial exigency the following tax exemptions:

- (1) All statutory state sales tax exemptions authorized pursuant to Chapter 2 of Subtitle II of Title 47 of the La. R.S. of 1950.
- (2) All statutory refundable income and corporation franchise tax credits authorized pursuant to Subtitles II and VII of Title 47 of the La. R.S. of 1950, except for the Earned Income tax credit and the School Readiness tax credits.
- (3) Net operating loss deduction pursuant to R.S. 47:287.86.
- (4) Excess federal itemized personal deductions pursuant to R.S. 47:293(3).
- (5) Dealer compensation pursuant to R.S. 47:306(A)(3).
- (6) Discounts for licensed tobacco dealers pursuant to R.S. 47:843(B) and (C)(3) and 851(B)(4)(b).
- (7) Discounts for remitting excise taxes on certain alcoholic beverages pursuant to R.S. 26:345 and 354(D).

Proposed law prohibits a taxpayer from claiming a disallowed tax exemption on a late or amended return after the period of suspension terminates.

Effective April 1, 2016.

(Adds R.S. 47:1525)