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HOUSE FLOOR AMENDMENTS

2016 First Extraordinary Session

Amendments proposed by Representative Broadwater to Engrossed House Bill No. 19 by Representative James

1 AMENDMENT NO. 1

2 On page 1, line 2, after "(C)(1)," delete the remainder of the line and insert "6006(A) and
 3 (B)(introductory paragraph), 6006.1(A) and (B), 6014(A), (B), and (C), 6020(D)(2)(a) and
 4 (3), 6022(D)(1)(introductory paragraph) and (E)(2), 6025(A)(1), 6032(A) and (D) and to
 5 repeal R.S. 47:51, 158, 246, Subparts A through D of Part II-A of Chapter 1 of Subtitle II
 6 of Title 47 of the Louisiana Revised Statutes of 1950, comprised of R.S. 47:287.2 through
 7 287.95, 287.738, 287.745, and Chapter 5 of Subtitle II of Title 47 of the Louisiana Revised
 8 Statutes of 1950, comprised of R.S. 47:601 through 618, relative to corporate tax; to"

9 AMENDMENT NO. 2

10 On page 1, line 3, after "applies;" and before "to provide" insert "to repeal the corporate
 11 income tax; to repeal the corporation franchise tax; to repeal provisions relative to the
 12 computation of taxable income for purposes of the corporate income tax; to repeal provisions
 13 relative to certain deductions, including the federal deduction and net operating loss
 14 deduction; to repeal provisions with respect to the calculation of taxable capital for purposes
 15 of levying the corporate franchise tax; to provide with respect to the applicability of certain
 16 tax credits, exemptions and deductions against certain state taxes;"

17 AMENDMENT NO. 3

18 On page 2, delete lines 13 and 14 and insert the following:

19 "Section 2. R.S. 47:6006(A) and (B)(introductory paragraph), 6006.1(A) and
 20 (B), 6014(A), (B), and (C), 6020(D)(2)(a) and (3), 6022(D)(1)(introductory
 21 paragraph) and (E)(2), 6025(A)(1), 6032(A) and (D) are hereby amended and
 22 reenacted to read as follows:

23 §6006. Tax credits for local inventory taxes paid

24 A.(1)(a) There shall be allowed a credit against any Louisiana individual
 25 income ~~or corporation franchise~~ tax for ad valorem taxes paid to political
 26 subdivisions on inventory held by manufacturers, distributors, and retailers.

27 ~~(2)(b)~~ There shall be allowed a credit against any Louisiana individual
 28 income ~~or corporation franchise~~ tax for ad valorem taxes paid to political
 29 subdivisions on natural gas held, used, or consumed in providing natural gas storage
 30 services or operating natural gas storage facilities.

31 (2) Beginning January 1, 2019, the state corporate income and corporation
 32 franchise taxes shall be repealed; therefore, no corporate taxpayer shall be eligible
 33 for the credit provided for pursuant to the provisions of this Section. Corporate
 34 taxpayers shall be prohibited from applying for this credit against individual income
 35 taxes or any other taxes imposed in Title 47 of the Revised Statutes of 1950.

1 B. ~~Credit for taxes paid by corporations shall be applied to state corporate~~
2 ~~income and corporation franchise taxes.~~ Credit for taxes paid by unincorporated
3 persons shall be applied to state personal income taxes. The secretary shall make
4 a refund to the taxpayer in the amount to which he is entitled from the current
5 collections of the taxes collected pursuant to Chapter 1 and Chapter 5 of Subtitle II.
6 If the amount of the credit authorized pursuant to Subsection A of this Section
7 exceeds the amount of tax liability for the tax year, the following amounts of the
8 excess credit shall either be refundable or may be carried forward as a credit against
9 subsequent Louisiana individual income ~~or corporation franchise~~ tax liability for a
10 period not to exceed five years, as follows:

11 * * *

12 §6006.1. Tax credits for taxes paid with respect to vessels in Outer Continental
13 Shelf Lands Act Waters

14 A. There shall be allowed a credit against any Louisiana individual income
15 ~~or corporation franchise~~ tax for ad valorem taxes paid without protest to political
16 subdivisions on vessels in Outer Continental Shelf Lands Act Waters as certified to
17 the assessor pursuant to R.S. 47:1956(B) within the calendar year immediately
18 preceding the taxable year of assessment of such vessel. For purposes of this
19 Section, ad valorem taxes shall be deemed to be paid to political subdivisions when
20 they are paid without protest either in money or by applying credits established
21 pursuant to R.S. 47:2108.1.

22 B.(1) Notwithstanding anything to the contrary in either Chapter 1 or
23 Chapter 5 of Subtitle II of this Title, as amended, the following rules shall apply with
24 respect to the application of the credit established in Subsection A of this Section:

25 ~~(1) The credit for taxes paid by or on behalf of a corporation shall be applied~~
26 ~~against Louisiana corporate income and corporation franchise taxes of such~~
27 ~~corporation. However, any such credit allowable to any member of an affiliated~~
28 ~~group of corporations, as defined in Section 1504 of the Internal Revenue Code of~~
29 ~~1954, as amended, shall be applied against Louisiana corporate income and~~
30 ~~corporation franchise taxes of such member and any other member of such affiliated~~
31 ~~group of corporations until the entire amount of the credit has been applied against~~
32 ~~such Louisiana corporate income taxes or corporation franchise taxes.~~

33 ~~(2)(a)~~ The credit for taxes paid by an individual shall be applied against
34 Louisiana personal income taxes.

35 ~~(3) The credit for taxes paid by or on behalf of a corporation classified under~~
36 ~~Subchapter S of the Internal Revenue Code of 1954, as amended, as an S corporation~~
37 ~~shall be applied first against any Louisiana corporate income and corporation~~
38 ~~franchise taxes due by such S corporation, and the remainder of any such credit shall~~
39 ~~be allocated to the shareholder or shareholders of such S corporation in accordance~~
40 ~~with their respective interests and applied against the Louisiana income tax of such~~
41 ~~shareholder or shareholders of the S corporation.~~

42 ~~(4)(b)~~ The credit for taxes paid by or on behalf of a partnership shall be
43 allocated to the partners according to their distributive shares of partnership gross
44 income and applied against any Louisiana individual income tax ~~and corporation~~
45 ~~franchise tax~~ liability of such partners.

46 ~~(5)(c)~~ The character of the credit for taxes paid by or on behalf of a
47 partnership ~~or S corporation~~ and allocated to the partners or shareholders,
48 respectively, of such partnership ~~or S corporation~~, shall be determined as if such
49 credit were incurred by such partners or shareholders, as the case may be in the same
50 manner as incurred by the partnership ~~or S corporation~~, as the case may be.

1 ~~(6)(d)~~ The credit for taxes paid by an estate or trust shall be applied against
2 the Louisiana income tax imposed on estates and trusts.

3 (2) Beginning January 1, 2019, the state corporate income and corporation
4 franchise taxes shall be repealed; therefore, no corporate taxpayer shall be eligible
5 for the credit provided for pursuant to the provisions of this Section. Corporate
6 taxpayers shall be prohibited from applying this credit against individual income
7 taxes or any other taxes imposed in Title 47 of the Revised Statutes of 1950.

8 * * *

9 §6014. Credit for property taxes paid by certain telephone companies; fund

10 A. Pursuant to the provisions of this Section, there shall be allowed a credit
11 against Louisiana ~~corporation or~~ individual income taxes ~~and Louisiana corporation~~
12 ~~franchise tax for, and~~ in an amount equal to; forty percent of the aggregate ad
13 valorem taxes paid to political subdivisions of this state after December 31, 2000, by
14 a telephone company, as defined in R.S. 47:1851(Q), with respect to such telephone
15 company's public service properties, as defined in R.S. 47:1851(M), which are
16 assessed by the Louisiana Tax Commission at twenty-five percent of fair market
17 value pursuant to R.S. 47:1854.

18 B. The credit allowed under this Section shall be applied against any
19 Louisiana individual income ~~or corporation franchise~~ tax shown on a return filed by
20 a person as defined in R.S. 47:2, entitled to such credit as determined under
21 Subsection C of this Section for income ~~or franchise~~ tax years ending on or after
22 December 31, 2001.

23 C.(1) Notwithstanding any provision of law to the contrary, the following
24 provisions shall apply with respect to the application of the credit established in
25 Subsection A of this Section:

26 ~~(1) The credit for ad valorem taxes paid by or on behalf of a corporation~~
27 ~~shall be applied against Louisiana corporation income and corporation franchise~~
28 ~~taxes of such corporation. However, any such credit allowable to any member of an~~
29 ~~affiliated group of corporations, as defined in Section 1504 of the Internal Revenue~~
30 ~~Code of 1986, as amended, shall be applied against Louisiana corporation income~~
31 ~~and corporation franchise taxes of such member and any other member of such~~
32 ~~affiliated group of corporations until the entire amount of the credit has been applied~~
33 ~~against such Louisiana corporation income taxes or corporation franchise taxes.~~

34 ~~(2)(a)~~ The credit for taxes paid by an individual shall be applied against the
35 Louisiana individual income tax.

36 ~~(3) The credit for taxes paid by or on behalf of a corporation classified under~~
37 ~~Subchapter S of the Internal Revenue Code of 1986, as amended, as an S corporation~~
38 ~~shall be applied first against any Louisiana corporation income and corporation~~
39 ~~franchise taxes due by such S corporation, and the remainder of any such credit shall~~
40 ~~be allocated to the shareholder or shareholders of such S corporation in accordance~~
41 ~~with their respective interests and applied against the Louisiana income tax of such~~
42 ~~shareholder or shareholders of the S corporation.~~

43 ~~(4)(b)~~ The credit for taxes paid by or on behalf of a partnership shall be
44 allocated to the partners according to their distributive shares of partnership gross
45 income and applied against any Louisiana individual income tax ~~and corporation~~
46 ~~franchise tax liability~~ of such partners.

47 ~~(5)(c)~~ The credit for taxes paid by or on behalf of a limited liability company
48 shall be allocated to the members according to their distributive shares of such
49 limited liability company's gross income and applied against any Louisiana

1 ~~individual~~ income tax and ~~corporation franchise tax~~ liability of such members;
2 however, the credit for taxes paid by or on behalf of a limited liability company
3 treated as a corporation for Louisiana income tax purposes may be applied against
4 the Louisiana corporation income taxes of such limited liability company.

5 ~~(6)(d)~~ The character of the credit for taxes paid by or on behalf of a
6 partnership, ~~S corporation~~, or limited liability company not treated as a corporation
7 for Louisiana income tax purposes and allocated to the partners, shareholders, or
8 members, respectively, of such partnership, ~~S corporation~~, or limited liability
9 company, shall be determined as if such credit were incurred by such partners,
10 shareholders, or members, in the same manner as incurred by such partnership, ~~S~~
11 ~~corporation~~, or limited liability company.

12 ~~(7)(e)~~ The credit for taxes paid by an estate or trust shall be applied against
13 the Louisiana income tax imposed on estates and trusts.

14 (2) Beginning January 1, 2019, the state corporate income and corporation
15 franchise taxes shall be repealed; therefore, no corporate taxpayer shall be eligible
16 for the credit provided for pursuant to the provisions of this Section. Corporate
17 taxpayers shall be prohibited from applying this credit against individual income
18 taxes or any other taxes imposed in Title 47 of the Revised Statutes of 1950.

19 * * *

20 §6020. Angel Investor Tax Credit Program

21 * * *

22 D. Tax credits.

23 * * *

24 (2)(a) An investor may apply for and, if qualified, be granted a credit on any
25 ~~individual~~ income ~~or corporation franchise tax~~ liability owed to the state by the
26 taxpayer seeking to claim the credit in the amount approved by the secretary of the
27 department. The amount of the tax credit shall be based upon the amount of money
28 invested by the investor in the Louisiana Entrepreneurial Business, which investment
29 shall not exceed seven hundred twenty thousand dollars per year per business and
30 one million four hundred forty thousand dollars total per business. Except as
31 otherwise provided in Subparagraph (b) of this Paragraph, the credit shall be allowed
32 against the ~~individual income tax~~ for the taxable period in which the credit is earned
33 ~~and the franchise tax for the taxable period following the period in which the credit~~
34 ~~is earned~~. The credits approved by the department shall be granted at the rate of
35 twenty-five and two tenths percent of the amount of the investment with the credit
36 divided in equal portions for five years.

37 * * *

38 ~~(3)(a) All entities taxed as corporations for Louisiana income or corporation~~
39 ~~franchise tax purposes shall claim any credit allowed under this Section on their~~
40 ~~corporation income and corporation franchise tax return.~~

41 ~~(b)~~ Individuals shall claim any credit allowed under this Section on their
42 individual income tax return.

43 ~~(c)(b)~~ Estates or trusts shall claim any credit allowed under this Section on
44 their fiduciary income tax returns.

45 ~~(d)(c)~~ Entities not taxed as corporations shall claim any credit allowed under
46 this Section on the returns of the partners or members as follows:

1 ~~(i) Corporate partners or members shall claim their share of the credit on~~
2 ~~their corporation income or corporation franchise tax returns.~~

3 ~~(ii)(i)~~ Individual partners or members shall claim their share of the credit on
4 their individual income tax returns.

5 ~~(iii)(ii)~~ Partners or members that are estates or trusts shall claim their share
6 of the credit on their fiduciary income tax returns.

7 * * *

8 §6022. Digital interactive media and software tax credit

9 * * *

10 D. Tax credit; specific projects.

11 (1) For applications for state-certified productions submitted to the office
12 prior to July 1, 2009, and subsequently approved by the office and secretary, there
13 is hereby authorized a tax credit against state individual income tax which shall be
14 earned by producers at the time funds are expended in Louisiana on a state-certified
15 production as follows:

16 * * *

17 E.

18 * * *

19 (2) For tax credits earned for expenditures made on or after January 1, 2012:

20 (a) The tax credits shall be refundable and allowed against the individual ~~or~~
21 ~~corporate income~~ tax liability of the ~~companies~~ or financiers of the project in
22 accordance with their share of the credit as provided for in the application for
23 certification for the project. The credit shall be allowed for the taxable period in
24 which expenditures eligible for a credit are expended as set forth in the final tax
25 credit certification letter. Any excess of the credit over the income tax liability
26 against which the credit may be applied shall constitute an overpayment, as defined
27 in R.S. 47:1621(A), and the secretary of the Department of Revenue shall make a
28 refund of such overpayment from the current collections of the taxes imposed by
29 Chapter 1 of Subtitle II of this Title, as amended. The right to a refund of any such
30 overpayment shall not be subject to the requirements of R.S. 47:1621(B).

31 (b) At the time of final certification of tax credits, a company may elect, on
32 a one-time basis, to receive a rebate of the credits. The amount of the rebate shall be
33 eighty-five percent of the face value of the credits. Upon receipt of the final tax
34 credit certification letter and any necessary additional information, the secretary of
35 the Department of Revenue shall make payment to the company, or its irrevocable
36 designee, which may include but not be limited to a bank or other lender, in the
37 amount to which he is entitled from the current collections of the taxes collected
38 pursuant to Chapter 1 of Subtitle II of this Title, as amended

39 (c) Beginning January 1, 2019, the state corporate income and corporation
40 franchise taxes shall be repealed; therefore, no corporate taxpayer shall be eligible
41 for the credit provided for pursuant to the provisions of this Section. Corporate
42 taxpayers shall be prohibited from applying this credit against individual income
43 taxes or any other taxes imposed in Title 47 of the Revised Statutes of 1950.

44 * * *

45 §6025. Tax credit for Louisiana Citizens Property Insurance Corporation assessment

46 A.(1)(a) There shall be allowed a credit against Louisiana individual income
47 tax due in a taxable year for seventy-two percent of the amount of surcharges, market

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 equalization charges, or assessments paid by a taxpayer during the taxable year as
2 a result of the 2005 regular assessment or the emergency assessments levied due to
3 Hurricanes Katrina and Rita by Louisiana Citizens Property Insurance Corporation
4 for the FAIR Plan and Coastal Plan, as they are defined in R.S. 22:2292.

5 (b) Beginning January 1, 2019, the state corporate income and corporation
6 franchise taxes shall be repealed; therefore, no corporate taxpayer shall be eligible
7 for the credit provided for pursuant to the provisions of this Section. Corporate
8 taxpayers shall be prohibited from applying this credit against individual income
9 taxes or any other taxes imposed in Title 47 of the Revised Statutes of 1950.

10 * * *

11 §6032. Tax credit for certain milk producers

12 A.(1) A resident taxpayer engaged in the business of producing milk for sale
13 shall be allowed a refundable tax credit based on the amount of milk produced and
14 sold. The credit may be claimed against any Louisiana individual income tax ~~and~~
15 ~~the corporation franchise tax~~. The credit shall be allowed when the USDA Uniform
16 Price in Federal Order Number 7 drops below the announced production price any
17 time during the calendar year.

18 (2) Beginning January 1, 2019, the state corporate income and corporation
19 franchise taxes shall be repealed; therefore, no corporate taxpayer shall be eligible
20 for the credit provided for pursuant to the provisions of this Section. Corporate
21 taxpayers shall be prohibited from applying this credit against individual income
22 taxes or any other taxes imposed in Title 47 of the Revised Statutes of 1950.

23 * * *

24 D. The credit provided by this Section shall be earned on the last day of each
25 calendar year and may be claimed against the individual income tax for the taxable
26 year that includes the day on which the credit is earned ~~or for the succeeding~~
27 ~~franchise tax year~~. The credit shall be prorated on a quarterly basis.

28 * * *

29 Section 3. R.S. 47:51, 158, 246, Subparts A through D of Part II-A of
30 Chapter 1 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950,
31 comprised of R.S. 47:287.2 through 287.95, 287.738, 287.745, and Chapter 5 of
32 Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, comprised of R.S.
33 47:601 through 618, are hereby repealed in their entirety.

34 Section 4. The provisions of Section 1 of this Act shall be applicable to
35 taxable periods beginning on or after January 1, 2017, but before January 1, 2019."

36 Section 5. The provisions of Sections 2 and 3 of this Act shall be applicable
37 to taxable periods beginning on or after January 1, 2019."

38 AMENDMENT NO. 4

39 On page 2, at the beginning of line 15, change "Section 3." to "Section 6."