

CONFERENCE COMMITTEE REPORT

SB 172

2017 Regular Session

Morrell

June 8, 2017

To the Honorable President and Members of the Senate and to the Honorable Speaker and Members of the House of Representatives.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning Senate Bill No. 172 by Senator Morrell, recommend the following concerning the Reengrossed bill:

1. That the House Committee Amendments proposed by House Committee on Ways and Means and adopted by the House of Representatives on June 1, 2017 be adopted.
2. That the House Floor Amendments proposed by Representative Schexnayder and adopted by the House of Representatives on June 5, 2017 be adopted.
3. That the following amendments to the reengrossed bill be adopted:

AMENDMENT NO. 1

On page 1, line 3, delete "6015(J)," and change "and 6019(A)(1)(a)" to "6019(A)(1)(a), and 6035(D)"

AMENDMENT NO. 2

On page 1, line 5, delete "and 6035(I)," and insert "and 6035(I),"

AMENDMENT NO. 3

On page 1, line 17, delete "6015(J)," and change "and 6019(A)(1)(a)" to "6019(A)(1)(a), and 6035(D)"

AMENDMENT NO. 4

On page 2, line 2, delete "and 6035(I)," and insert "and 6035(I)"

AMENDMENT NO. 5

On page 5, between line 7 and 8 insert the following:

"D. In cases ~~where no previous credit has been claimed pursuant to Subsection C of this Section for the cost of qualified clean-burning motor vehicle fuel property in~~ of a new motor vehicle purchased by a taxpayer with qualified clean-burning motor vehicle fuel property, **as defined in Subparagraph (B)(2)(b) of this Subsection, if** installed by the vehicle's manufacturer ~~and the taxpayer is unable to, or elects not to determine the exact cost which is attributable to such property;~~ the taxpayer may claim a credit against individual or corporate income tax for the taxable period in which the new motor vehicle is purchased equal to ~~seven and two tenths~~ ten percent of the cost of the motor vehicle or ~~one~~ two thousand five hundred dollars, whichever is less, provided the motor vehicle is registered in this state.

* * *

Respectfully submitted,

Senators:

Senator Jean-Paul J. Morrell

Senator Eric LaFleur

Senator Jack Donahue

Representatives:

Representative Walt Leger III

Representative Neil C. Abramson

Representative Stephen Dwight

The legislative instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by James Benton.

CONFERENCE COMMITTEE REPORT DIGEST

SB 172

2017 Regular Session

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Keyword and summary of the bill as proposed by the Conference Committee

TAX/TAXATION. Terminates certain tax credits as of January 1, 2019. (gov sig)

Report adopts House amendments to:

1. Delete the termination of the offset for insurance companies against tax liabilities based on the amount of premiums paid by the companies during the preceding 12 months from proposed law.
2. Deletes the termination of the tax credit for local inventory taxes paid on January 1, 2022 from the provisions of proposed law.
3. Deletes the termination of the mik producers tax credit from the provisions of the proposed law.

Report amends the bill to:

1. Provide that the purchaser of a new vehicle originally equipped to be propelled by an alternative fuel may claim a credit of 10% of the total purchase price of the vehicle or \$2,500, whichever is less.
2. Makes technical changes.

Digest of the bill as proposed by the Conference Committee

Proposed law sunsets the following income and corporation franchise tax credits beginning January 1, 2020:

- (1) R.S. 25:1226.4 Atchafalaya Trace Heritage Area Development Zone tax credit.
- (2) R.S. 47:34 Corporation tax credit.
- (3) R.S. 47:37 Tax credit for contributions to educational institutions.
- (4) R.S. 47:287.748 Corporation tax credit; re-entrant jobs credit.
- (5) R.S. 47:287.749 Jobs credit.
- (6) R.S. 47:287.752 Credit for employment of first-time nonviolent offenders.
- (7) R.S. 47:287.755 Credit for contributions to educational institutions.
- (8) R.S. 47:297 Reduction to tax for taxpayer, spouse, or dependent who is deaf, blind, mentally incapacitated or has lost the use of one limb.
- (9) R.S. 47:297.2 Reduction to tax due to person maintaining a household where one or more dependents is physically or mentally incapable of caring for themselves.
- (10) R.S. 47:297.9 Credits for certain military service members and dependents for hunting and fishing licenses.
- (11) R.S. 47:6025 Credit for La. Citizens Property Insurance Corp. assessment.

Proposed law sunsets the following income and corporation franchise tax credits beginning January 1, 2022:

- (1) R.S. 47:227 Offset against tax based on insurance premiums.
- (2) R.S. 47:6019 Tax credit; rehabilitation of historic structures.
- (3) R.S. 47:6035 Credit for conversion of vehicles to alternative fuel usage.

Present law provides that the purchaser of a new vehicle originally equipped to be propelled by an alternative fuel may claim the credit either on 36% of the value of the equipment directly related to the alternative fuel or, if the purchaser cannot determine the value of the equipment, 7.2% of the total purchase price of the vehicle or \$1,500, whichever is less.

Proposed law eliminates the 36% credit for the value of the property directly related to the alternative fuel and changes the value of the credit from 7.2% to 10 % and changes the vehicle cap from \$1,500 to \$2,500.

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

(Amends R.S. 47:227, as amended by §2 of Acts 2015 , No. 125, R.S. 47:297.2, 6019(A)(1)(a); adds R.S. 25:1226.4(D), R.S. 47:34(F), 37(I), 287.748(D), 287.749(E), 287.752(D), 287.755(I), 297(Q), 297.9(D), 6025(E), 6035(D) and (I); repeals R.S. 47:227 as amended by §5 of Acts 2015, No. 125)