

2018 Second Extraordinary Session

HOUSE BILL NO. 18

BY REPRESENTATIVE JACKSON

1 AN ACT

2 To amend and reenact R.S. 47:33(A)(5) and 297.8(A) and Section 4 of Act No. 109 of the  
3 2015 Regular Session of the Legislature, to enact R.S. 47:33(A)(7), relative to  
4 individual income tax credits and deductions; to repeal provisions providing for an  
5 increase in the credit for taxes paid to other states; to limit the amount of the credit;  
6 to authorize a deduction of income taxes paid to other states under certain  
7 circumstances; to increase the earned income tax credit under certain circumstances;  
8 to provide for effectiveness; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:33(A)(5) and 297.8(A) are hereby amended and reenacted and  
11 R.S. 47:33(A)(7) is hereby enacted to read as follows:

12 §33. Credit for taxes paid in other states

13 A. Subject to the following conditions, resident individuals shall be allowed  
14 a credit against the taxes imposed by this Chapter for net income taxes imposed by  
15 and paid to another state on income taxable under this Chapter, provided that:

16 \* \* \*

17 (5)(a) The credit shall be limited to the amount of Louisiana income tax that  
18 would have been imposed if the income earned in the other state had been earned in  
19 Louisiana.

20 (b) The credit shall not be allowed for tax paid on income that is not subject  
21 to tax in Louisiana. The amount of the credit shall not exceed the ratio which shall  
22 be determined by multiplying the taxpayer's Louisiana income tax liability before  
23 consideration of any credit described in this Section by a fraction, the numerator of  
24 which is the taxpayer's Louisiana tax table income attributable to other states to

1           which net income taxes were paid by a resident individual, and the denominator of  
2           which is total Louisiana tax table income.

3                                       \*       \*       \*

4                       (7)(a) For taxes paid on or after January 1, 2018, an individual partner,  
5                       member, or shareholder that pays another state's entity-level tax that is based solely  
6                       upon net income included in the entity's federal taxable income without any capital  
7                       component shall be allowed a deduction equal to their proportionate share of the  
8                       entity-level tax paid.

9                       (b) The deduction pursuant to this Paragraph shall be allowed only to the  
10                      extent that the proportionate share of the related income on the tax paid to the other  
11                      state is included in the calculation of Louisiana taxable income that is reported on  
12                      the Louisiana return of the individual partner or member.

13                                       \*       \*       \*

14           §297.8. Earned income tax credit

15                      A. ~~There~~ (1) Except as provided in Paragraph (A)(2) of this Subsection, there  
16                      shall be a credit against the tax imposed by this Chapter for individuals in an amount  
17                      equal to three and one-half percent of the federal earned income tax credit for which  
18                      the individual is eligible for the taxable year under Section 32 of the Internal  
19                      Revenue Code.

20                      (2) For tax years beginning on and after January 1, 2019, through December  
21                      31, 2025, there shall be a credit against the tax imposed by this Chapter for  
22                      individuals in an amount equal to five percent of the federal earned income tax credit  
23                      for which the individual is eligible for the taxable year under Section 32 of the  
24                      Internal Revenue Code.

25                                       \*       \*       \*

26           Section 2. Section 4 of Act No. 109 of the 2015 Regular Session of the Legislature  
27           is hereby amended and reenacted to read as follows:

28                                       \*       \*       \*

29                      Section 4. The provisions of Sections 1 and 3 of this Act shall become  
30                      effective on July 1, 2015, and shall remain effective through ~~June 30, 2018~~ June 30,

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

1           2023, at which time the provisions of Sections 1 and 3 of this Act shall become null,  
 2           void, and of no effect. The provisions of Section 4 of this Act shall become effective  
 3           on July 1, 2015. The provisions of Section 2 of this Act shall become effective on  
 4           ~~July 1, 2018~~ July 1, 2023.

5           Section 3. This Act shall become effective upon signature by the governor or, if not  
 6           signed by the governor, upon expiration of the time for bills to become law without signature  
 7           by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 8           vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 9           effective on the day following such approval.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_