

2021 Regular Session

SENATE BILL NO. 11

BY SENATOR TALBOT

TAX EXEMPTIONS. Provides an individual and corporation income tax exemption for state and federal COVID-19 relief benefits. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:293(10) and to enact R.S. 47:287.738(H), 293(9)(a)(xx), and
3 297.16, relative to income tax exemptions; to provide for an individual and
4 corporation income tax exemption for certain state and federal COVID-19 relief
5 benefits; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:293(10) is hereby amended and reenacted and 47:287.738(H) and
8 293(9)(a)(xx) and 297.16 are hereby enacted to read as follows:

9 §287.738. Other inclusions and exclusions from gross income

10 * * *

11 **H. Exemption for COVID-19 relief benefits. Any gratuitous grant, loan,**
12 **rebate, tax credit, advance refund, or other qualified disaster relief benefit**
13 **directly or indirectly provided to a corporation by the state or federal**
14 **government as a COVID-19 relief benefit as defined in R.S. 47:297.16 shall be**
15 **exempt if the benefit was included in the corporation's federal gross income.**

16 * * *

17 §293. Definitions

1 The following definitions shall apply throughout this Part, unless the context
2 requires otherwise:

3 * * *

4 (9)(a) "Tax table income", for resident individuals, means adjusted gross
5 income plus interest on obligations of a state or political subdivision thereof, other
6 than Louisiana and its municipalities, title to which obligations vested with the
7 resident individual on or subsequent to January 1, 1980, and less:

8 * * *

9 **(xx) Any gratuitous grant, loan, rebate, tax credit, advance refund, or**
10 **other qualified disaster relief benefit directly or indirectly provided to a**
11 **taxpayer by the state or federal government as a COVID-19 relief benefit as**
12 **defined in R.S. 47:297.16 if the benefit was included in the taxpayer's federal**
13 **adjusted gross income.**

14 * * *

15 (10) "Tax table income", for nonresident individuals, means the amount of
16 Louisiana income, as provided in this Part, allocated and apportioned under the
17 provisions of R.S. 47:241 through 247, plus the total amount of the personal
18 exemptions and deductions already included in the tax tables promulgated by the
19 secretary under authority of R.S. 47:295, less the proportionate amount of the federal
20 income tax liability, excess federal itemized personal deductions, the temporary
21 teacher deduction, the recreation volunteer and volunteer firefighter deduction, the
22 construction code retrofitting deduction, any gratuitous grant, loan, or other benefit
23 directly or indirectly provided to a taxpayer by a hurricane recovery entity if such
24 benefit was included in federal adjusted gross income, **any gratuitous grant, loan,**
25 **rebate, tax credit, advance refund, or other qualified disaster relief benefit**
26 **directly or indirectly provided to a taxpayer by the state or federal government**
27 **as a COVID-19 relief benefit as defined in R.S. 47:297.16 if the benefit was**
28 **included in the taxpayer's federal adjusted gross income,** the exclusion provided
29 for in R.S. 47:297.3 for S Bank shareholders, the deduction for expenses disallowed

1 by 26 U.S.C. 280C, salaries, wages or other compensation received for disaster or
 2 emergency-related work rendered during a declared state disaster or emergency, the
 3 deduction for net capital gains, the pass-through entity exclusion provided in R.S.
 4 47:297.14, and personal exemptions and deductions provided for in R.S. 47:294. The
 5 proportionate amount is to be determined by the ratio of Louisiana income to federal
 6 adjusted gross income. When federal adjusted gross income is less than Louisiana
 7 income, the ratio shall be one hundred percent.

8 * * *

9 **§297.16. Tax exemption; COVID-19 relief benefit**

10 **A. A COVID-19 relief benefit shall be exempt from the provisions of this**
 11 **Part if the benefit was included in the taxpayer's federal adjusted gross income.**

12 **B. "COVID-19 relief benefit" means any gratuitous grant, loan, rebate,**
 13 **tax credit, advance refund, or other qualified disaster relief benefit directly or**
 14 **indirectly provided to a taxpayer by the state or federal government including**
 15 **but not limited to benefits provided pursuant to the Coronavirus Aid, Relief,**
 16 **and Economic Security Act, the Taxpayer Certainty and Disaster Relief Act, the**
 17 **COVID-Related Tax Relief Act, the Consolidated Appropriations Act of 2021,**
 18 **the State Coronavirus Relief Program, the Coronavirus Local Recovery**
 19 **Allocation Program, the Louisiana Main Street Recovery Program, the Critical**
 20 **Infrastructure Worker's Hazard Pay Rebate, and pursuant to any other existing**
 21 **or subsequent state or federal COVID-19 relief legislation. A COVID-19 relief**
 22 **benefit shall not include any unemployment compensation benefits provided to**
 23 **a taxpayer.**

24 Section 2. The provisions of this Act shall be retroactively and prospectively applied
 25 and shall apply to any gratuitous grant, loan, rebate, tax credit, advance refund, or other
 26 qualified disaster relief benefit directly or indirectly provided to a taxpayer by the state or
 27 federal government as a COVID-19 relief benefit.

28 Section 3. This Act shall become effective upon signature by the governor or, if not
 29 signed by the governor, upon expiration of the time for bills to become law without signature

1 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
2 vetoed by the governor and subsequently approved by the legislature, this Act shall become
3 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Curry Lann.

DIGEST

SB 11 Engrossed

2021 Regular Session

Talbot

Present law provides for various exemptions from individual and corporation income tax.

Proposed law provides for an individual and corporation income tax exemption for certain state and federal COVID-19 relief benefits.

Proposed law defines "COVID-19 relief benefit" as any gratuitous grant, loan, rebate, tax credit, advance refund, or other qualified disaster relief benefit directly or indirectly provided to a taxpayer by the state or federal government including but not limited to the Coronavirus Aid, Relief, and Economic Security Act, the Taxpayer Certainty and Disaster Relief Act, the COVID-Related Tax Relief Act, the Consolidated Appropriations Act of 2021, the State Coronavirus Relief Program, the Coronavirus Local Recovery Allocation Program, the Louisiana Main Street Recovery Program, the Critical Infrastructure Worker's Hazard Pay Rebate, and to any other existing or subsequent state or federal COVID-19 relief legislation.

Proposed law excludes unemployment compensation benefits provided to a taxpayer from the individual income tax exemption.

Effective upon signature of the governor or lapse of time for gubernatorial action and retroactive, applying to any gratuitous grant, loan, rebate, tax credit, advance refund, or other qualified disaster relief benefit directly or indirectly provided to a taxpayer as a COVID-19 relief benefit.

(Amends R.S. 47:293(10); adds R.S. 47:287.738(H), 293(9)(a)(xx), and 297.16)