The original instrument was prepared by Leonore Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by Curry J. Lann.

DIGEST

SB 240 Engrossed

2021 Regular Session

Luneau

<u>Present law</u> authorizes a variety of tax credits that can be utilized to reduce income and corporation franchise tax due dollar-for-dollar and further provides that for a limited number of these credits that any tax credit balance in excess of the current year's tax liability shall be refunded to the taxpayer.

<u>Proposed law</u> provides that the total tax credits available to a corporate taxpayer shall not reduce the taxpayer's corporate income and corporate franchise tax liability below zero and any excess credit shall not be refundable even if the statute creating the credit provides for refundability.

<u>Proposed law</u> provides that the total business tax credits available to an individual taxpayer shall not reduce the taxpayer's individual tax liability below zero and any excess credit shall not be refundable even if the statute creating the credit provides for refundability, except for the School Readiness child care expense tax credit and the child care directors and staff tax credit.

<u>Proposed law</u> provides that beginning on or after January 1, 2022, the total tax credits authorized in <u>present law</u> shall not exceed the total fiduciary income tax liability of any taxpayer required to file a fiduciary income tax return. If the total amount of applicable tax credits exceeds the amount of tax liability for the tax year, the excess credits are not refundable.

<u>Proposed law</u> authorizes credits that would be refundable but for the provisions of <u>proposed law</u> to be carried forward to be used against subsequent tax liability for up to five years.

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

(Adds R.S. 47:1675(K))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

- 1. Adds the child care directors and staff tax credit to the list of exceptions for individual income tax only.
- 2. Provides that the total tax credits shall not exceed the total fiduciary income tax

liability of any taxpayer required to file a fiduciary income tax return and any excess credits are not refundable.

3. Makes technical changes.