



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **SB 89** SLS 23RS 290  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 1, 2023	6:05 PM	<b>Author:</b> STINE
<b>Dept./Agy.:</b> Revenue		<b>Analyst:</b> Benjamin Vincent
<b>Subject:</b> Documentation Requirements: Net Capital Gains		

TAX/INCOME/PERSONAL OR DECREASE GF RV See Note Page 1 of 1  
 Provides relative to the net capital gains deduction for individual income tax. (8/1/23)

Current law provides a deduction for net capital gains resulting from a sale or exchange of an equity interest of substantially all assets of certain non-publicly-traded corporations domiciled in Louisiana. The taxpayer must have held the interest or asset for a minimum of five years prior to the sale or exchange to qualify for the deduction. The Department of Revenue (LDR) currently requires the taxpayer to provide Form R-6180, Net Capital Gains Deduction Worksheet, in order to allow the deduction.

Proposed law removes the ability of the Department of Revenue to require the documentation or appraisal in order to qualify for the deduction. Applicable to taxable periods beginning on or after January 1, 2023.

<b>EXPENDITURES</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

**REVENUE EXPLANATION**

LDR reports that providing taxpayers with the ability to claim the deduction without the required paperwork or appraisal would generate compliance and enforcement problems. It may result in taxpayers successfully claiming the deduction despite being ineligible, resulting in an indeterminable and potentially large decrease in all years, reflected in the table above.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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**Deborah Vivien**  
**Chief Economist**