

SENATE SUMMARY OF HOUSE AMENDMENTS

SB 89

2023 Regular Session

Stine

KEYWORD AND SUMMARY AS RETURNED TO THE SENATE

TAX/INCOME/PERSONAL. Provides relative to the net capital gains deduction for individual income tax. (8/1/23)

SUMMARY OF HOUSE AMENDMENTS TO THE SENATE BILL

1. Makes technical changes

DIGEST OF THE SENATE BILL AS RETURNED TO THE SENATE

DIGEST

SB 89 Engrossed

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Present law provides resident individual and nonresident individual a deduction on income from net capital gains. The deduction is limited to gains recognized and treated for federal income tax purposes as arising from the sale or exchange of an equity interest in or substantially all of the assets of a nonpublicly traded corporation, partnership, limited liability company, or other business organization commercially domiciled in this state.

Proposed law retains present law.

Proposed law requires the Department of Revenue to promulgate regulations related to the individual income tax deduction for income from net capital gains. The regulations shall, at a minimum, provide for the following:

- (1) Documentation requirements applicable to taxpayers claiming the deduction.
- (2) A de minimus exception to documentation requirements for small transaction eligible for the deduction.
- (3) Restrictions on eligibility for transactions where the majority of the physical assets are located outside of Louisiana.
- (4) Restrictions on eligibility for transactions between related parties.

Applicable for taxable periods beginning on or after January 1, 2023.

Effective August 1, 2023.

(Amends R.S. 47:293(9)(a)(xvii)) and (10); adds R.S. 47:293.1)

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