

SENATE COMMITTEE AMENDMENTS

2024 Third Extraordinary Session

Amendments proposed by Senate Committee on Revenue and Fiscal Affairs to Reengrossed House Bill No. 2 by Representative Emerson

1 AMENDMENT NO. 1

2 On page 1, line 2, after "4302(B)," delete the remainder of the line and delete line 3 and
 3 insert "6006(A), (B)(1)(introductory paragraph), (2) and (4), (D) and (E), 6007(J)(1)(b)(i),
 4 (c) and (2)(a), 6019(A)(1)(e), 6020(H), and 6023(I) and"

5 AMENDMENT NO. 2

6 On page 1, line 4, after "3204(M)," insert "6007(J)(1)(d), 6015(M),"

7 AMENDMENT NO. 3

8 On page 1, line 10, after "47:6005(G)," delete "6006," and insert "6006(F), (G), and (H),"

9 AMENDMENT NO. 4

10 On page 1, line 11, after "6021," delete "6022(L),"

11 AMENDMENT NO. 5

12 On page 2, line 2, after "depreciation" and before the semicolon ";" insert "and amortization"

13 AMENDMENT NO. 6

14 On page 2, line 4, after "liability;" and before "to repeal" insert "to provide relative to the
 15 motion picture production tax credit; to provide relative to the research and development tax
 16 credit; to provide relative to the tax credit for rehabilitation of historic structures; provide
 17 for credit caps;"

18 AMENDMENT NO. 7

19 On page 2, line 13, after "4302(B)," delete the remainder of the line and delete line 14 in its
 20 entirety and insert "6006(A), (B)(1)(introductory paragraph), (2) and (4), (D) and (E),
 21 6007(J)(1)(b)(i), (c) and (2)(a), 6019(A)(1)(e), 6020(H), and 6023(I) are hereby amended and"

22 AMENDMENT NO. 8

23 On page 2, line 15, after "3204(M)," insert "6007(J)(1)(d), 6015(M)"

24 AMENDMENT NO. 9

25 On page 2, line 15, delete "6022(M)"

26 AMENDMENT NO. 10

27 On page 2, line 18, after "2025," delete the remainder of the line and at the beginning of line
 28 19, delete "January 1, 2026,"

29 AMENDMENT NO. 11

30 On page 2, at the end of line 20, delete "five" and delete line 21 and insert "six percent."

1 AMENDMENT NO. 12

2 On page 3, delete lines 1 through 3

3 AMENDMENT NO. 13

4 On page 6, between lines 15 and 16, insert the following:

5 "§6006. Tax credits for local inventory taxes paid

6 A.(1) There shall be allowed a credit against ~~any~~ Louisiana individual income
7 ~~or corporation franchise~~ tax for ad valorem taxes paid to political subdivisions on
8 inventory held by manufacturers, distributors, and retailers.

9 (2) There shall be allowed a credit against ~~any~~ Louisiana individual income
10 ~~or corporation franchise~~ tax for ad valorem taxes paid to political subdivisions on
11 natural gas held, used, or consumed in providing natural gas storage services or
12 operating natural gas storage facilities.

13 (3)No credit shall be allowed for taxpayers taxed as a C-corporation for
14 federal income tax purposes for taxable periods beginning on or after July 1, 2026.
15 However, any such taxpayer may carry forward any remaining credits for an
16 additional ten years from the date that the credits would have expired under the
17 provisions of this Section. This additional carry forward period shall not apply to
18 any credits for which the carry forward period expired prior to January 1, 2025.

19 B.(1) ~~Credit for taxes paid by corporations shall be applied to state corporate~~
20 ~~income and corporation franchise taxes.~~ Credit for taxes paid by unincorporated
21 persons and pass-through entities shall be applied to state ~~personal~~ individual income
22 taxes. The secretary shall make a refund to the taxpayer in the amount to which he
23 is entitled from the current collections of the taxes collected pursuant to ~~Chapters~~
24 Chapter 1 and 5 of Subtitle II of this Title. If the amount of the credit authorized
25 pursuant to Subsection A of this Section exceeds the amount of tax liability for the
26 tax year, the following amounts of the excess credit shall either be refundable or may
27 be carried forward as a credit against subsequent Louisiana individual income ~~or~~
28 ~~corporation franchise~~ tax liability for a period not to exceed ten years, as follows:

29 * * *

30 (2) Each taxpayer allowed a credit under this Section shall claim the credit
31 on its separately filed individual income ~~or corporate franchise~~ tax return; ~~however,~~
32 ~~for purposes of the application of the limitations on refundability of excess credit~~
33 ~~provided for in Subparagraphs (1)(a) through (c) of this Subsection, all taxpayers~~
34 ~~included in one consolidated federal income tax return filed under the Internal~~
35 ~~Revenue Code shall be treated as a single taxpayer.~~

36 * * *

37 (4) Notwithstanding any provision in this Section to the contrary, for a
38 manufacturer, as defined in Subparagraph (C)(3)(b) of this Section, if the amount of
39 the credit authorized pursuant to Subsection A of this Section exceeds the amount
40 of tax liability for the tax year, the excess credit shall not be refundable and may only
41 be carried forward as a credit against subsequent Louisiana individual income ~~or~~
42 ~~corporation franchise~~ tax liability for a period not to exceed ten years and shall not
43 be refundable.

44 * * *

45 D. The credit provided in this Section shall be allowed as follows:

46 (1) ~~For inventory taxes paid to political subdivisions on or after July 1, 1992,~~
47 ~~and before June 30, 1993, the credit shall be twenty percent of such taxes paid.~~

48 (2) ~~For inventory taxes paid to political subdivisions on or after July 1, 1993,~~
49 ~~and before June 30, 1994, the credit shall be forty percent of such taxes paid.~~

50 (3) ~~For inventory taxes paid to political subdivisions on or after July 1, 1994,~~
51 ~~and before June 30, 1995, the credit shall be sixty percent of such taxes paid.~~

52 (4) ~~For inventory taxes paid to political subdivisions on or after July 1, 1995,~~
53 ~~and before June 30, 1996, the credit shall be eighty percent of such taxes paid.~~

54 (5) For for one hundred percent of inventory taxes paid to political
55 subdivisions on or after July 1, 1996, the credit shall be one hundred percent of such
56 taxes paid.

1 E. Commencing no later than January 31, 2016, the House Committee on
 2 Ways and Means and the Senate Committee on Revenue and Fiscal Affairs shall
 3 review the credit authorized pursuant to the provisions of this Section to determine
 4 if the economic benefit provided by such credit outweighs the loss of revenue
 5 realized by the state as a result of awarding such credit. The House and Senate
 6 committees shall make a specific recommendation no later than March 1, 2017, to
 7 either continue the credit or to terminate the credit.

8 F. At any time after a finding of overvaluation or misclassification of
 9 inventory for the purposes of this credit by audit or on appeal by the Board of Tax
 10 Appeals or court that last reviews the matter, the secretary of the Department of
 11 Revenue may intervene in any proceeding related to the valuation or classification
 12 of property as inventory for which a credit will be claimed pursuant to this Section.

13 G. Taxpayers that pay ad valorem taxes for the 2020 tax year that are eligible
 14 for the credit provided by this Section but are paid after December 31, 2020, may
 15 elect to treat these taxes as having been paid on December 31, 2020, for purposes of
 16 this credit, provided that the payments are made to the local tax collector on or
 17 before April 15, 2021. Taxpayers that make this election shall not also claim these
 18 taxes as having been paid in 2021 for purposes of claiming this credit for the 2021
 19 tax year.

20 H.(1) Notwithstanding the provisions of Subparagraphs (B)(1)(b) and
 21 (B)(3)(c) of this Section, for ad valorem taxes on inventory paid for tax year 2020,
 22 taxpayers whose ad valorem taxes eligible for the credit authorized pursuant to this
 23 Section paid to all political subdivisions in the taxable year was less than or equal to
 24 one million dollars shall be refunded all of the excess credit.

25 (2) The provisions of this Subsection shall apply only to taxpayers that
 26 employed a minimum of one hundred full-time employees at each location in the
 27 state for whom withholding tax was remitted to the Department of Revenue for at
 28 least one month within each of the first three quarters of calendar year 2020.

29 (3) The provisions of this Subsection shall not apply to manufacturers as
 30 defined in Subparagraph (C)(3)(b) of this Section."

31 AMENDMENT NO. 14

32 On page 6, delete lines 18 and 19 and insert the following:

33 "J. Credit caps, structured pay outs, and project size limitations.

34 (1) Department of Economic Development program issuance cap.

35 * * *

36 (b) * * *

37 (i) If For tax credits granted in a final certification letter prior to July 1, 2024,
 38 if the total amount of credits granted to QECs in any fiscal year is less than the QEC
 39 cap, any residual amount of unused credits shall carry forward for use in subsequent
 40 years and may be granted in addition to the QEC cap for each year.

41 (c) For applications for state-certified productions and qualified
 42 entertainment companies submitted on or after July 1, 2023, but prior to July 1, 2025,
 43 the total amount of all tax credits granted in a final certification letter by the
 44 department in any fiscal year shall not exceed one hundred fifty million dollars. If
 45 the total amount of credits applied for in any particular year exceeds the aggregate
 46 amount of tax credits allowed for that year, the excess shall be treated as having been
 47 applied for on the first day of the subsequent year.

48 (d) For applications for state-certified productions and qualified
 49 entertainment companies submitted on or after July 1, 2025, the total amount of all
 50 tax credits granted in a final certification letter by the department in any fiscal year
 51 shall not exceed one hundred twenty-five million dollars. If the total amount of
 52 credits applied for in any particular year exceeds the aggregate amount of tax credits
 53 allowed for that year, the excess shall be treated as having been applied for on the
 54 first day of the subsequent year.

55 (2) Department of Revenue taxpayer claim cap.

56 (a)(i) Beginning July 1, 2017 through June 30, 2025, claims against state
 57 income tax allowed on returns for tax credits or transfers of such tax credits,
 58 including legacy credits, to the Department of Revenue as provided for in Paragraph

1 (C)(4) of this Section shall be limited to an aggregate total of one hundred eighty
2 million dollars each fiscal year. ~~¶ For claims allowed on returns for tax credits or~~
3 ~~transfers of such tax credits to the Department of Revenue on or before June 30,~~
4 ~~2024, if less than one hundred eighty million dollars of such tax credits and transfers~~
5 ~~are allowed in a fiscal year, the remaining amount, plus any amounts remaining from~~
6 ~~previous fiscal years, shall be added to the one hundred eighty million dollar limit~~
7 ~~of subsequent fiscal years until that amount of tax credits or tax credit transfers to the~~
8 ~~Department of Revenue are claimed and allowed.~~

9 (ii) Beginning July 1, 2025, claims against state income tax allowed on
10 returns for tax credits or transfers of such tax credits to the Department of Revenue
11 as provided for in Paragraph (C)(4) of this Section shall be limited to an aggregate
12 total of one hundred twenty-five million dollars each fiscal year."

13 AMENDMENT NO. 15

14 On page 6, delete lines 23 through 26 and insert the following:

15 "M.(1) Beginning July 1, 2026, claims against state income tax allowed on
16 returns for tax credits as provided for in this Section shall be limited to an aggregate
17 total of twelve million dollars each fiscal year.

18 (2) Claims for tax credits or transfers of tax credits to the Department of
19 Revenue shall be allowed on a first-come, first-served basis. Any taxpayer whose
20 claim for such tax credits is disallowed because the fiscal year cap has been reached
21 may use the tax credits against state income tax due in an original return filed in the
22 next fiscal year, and his claim shall have priority over other claims filed after the
23 date of his original claim."

24 AMENDMENT NO. 16

25 On page 7, delete lines 2 through 16 and insert the following:

26 "A.(1) * * *
27 (e)(i) For State of Louisiana Commercial Rehabilitation Tax Credit Part 2
28 applications received by the Department of Culture, Recreation and Tourism on or
29 after January 1, 2021, but prior to January 1, 2025, the maximum aggregate total of
30 tax credits that may be reserved by all taxpayers pursuant to the provisions of this
31 Section shall not exceed one hundred twenty-five million dollars annually. ~~¶ For tax~~
32 ~~credit reservations issued prior to January 1, 2024, if the amount of tax credit~~
33 ~~reservations issued in a calendar year is less than one hundred twenty-five million~~
34 ~~dollars, the excess reservation amount shall be available for issuance in any~~
35 ~~subsequent calendar year. The Department of Culture, Recreation and Tourism shall~~
36 ~~establish by rule the method of reserving available tax credits including but not~~
37 ~~limited to a first-come, first-served system or any other method that the Department~~
38 ~~of Culture, Recreation and Tourism determines to be beneficial to the program. Rules~~
39 ~~promulgated pursuant to the provisions of this Subparagraph shall be subject to~~
40 ~~oversight by the House Committee on Ways and Means and the Senate Committee~~
41 ~~on Revenue and Fiscal Affairs. The Department of Revenue and the Department of~~
42 ~~Culture, Recreation and Tourism shall make reasonable efforts to post a listing of~~
43 ~~estimated credit amounts remaining under the annual cap on their websites.~~

44 (ii) For State of Louisiana Commercial Rehabilitation Tax Credit Part 2
45 applications received by the Department of Culture, Recreation and Tourism on or
46 after July 1, 2025, the maximum aggregate total of tax credits that may be reserved
47 by all taxpayers pursuant to the provisions of this Section shall not exceed
48 eighty-five million dollars annually.

49 (iii) The Department of Culture, Recreation and Tourism shall establish by
50 rule the method of reserving available tax credits including, but not limited to a
51 first-come, first-served system or any other method that the Department of Culture,
52 Recreation and Tourism determines to be beneficial to the program. Rules
53 promulgated pursuant to the provisions of this Subparagraph shall be subject to
54 oversight by the House Committee on Ways and Means and the Senate Committee
55 on Revenue and Fiscal Affairs. The Department of Revenue and the Department of

1 Culture, Recreation and Tourism shall make reasonable efforts to post a listing of
2 estimated credit amounts remaining under the annual cap on their websites."

3 AMENDMENT NO. 17

4 On page 7, delete lines 23 through 29 and on page 8, delete lines 1 and 5

5 AMENDMENT NO. 18

6 On page 9, line 5, after "R.S. 47:6005(G)," and before "6008(D)," delete "6006," and insert
7 "6006(F), (G), and (H),"

8 AMENDMENT NO. 19

9 On page 9, delete lines 21 through 25 and insert the following:

10 "Section 6. This Act shall become effective on January 1, 2025."