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

DIGEST

Present law provides for a reduction in the insurance premium for certain investments made in the state.

Proposed law authorizes a premium reduction in taxes charged on insurance premiums for the amount of eligible costs and expenses incurred during the rehabilitation of a historic structure located within a cultural district, downtown development district or a municipality with a population of less than 15,000 persons according to the latest federal decennial census.

Present law authorizes an income and corporation franchise tax credit for the amount of eligible costs and expenses incurred during the rehabilitation of a historic structure located in a downtown development or a cultural product district. Provides that credit not exceed 25% of the eligible costs and expenses of the rehabilitation. Present law prohibits a taxpayer from receiving more than $5 million of credit for any number of structures rehabilitated within a particular downtown development or cultural product district.

Proposed law retains present law but changes the name of a "cultural product district" to a "cultural district" and provides that historic structures in a municipality with a population of less than 15,000 persons are eligible for the tax credit.

Present law requires that to qualify for the credit the historic structure be listed on the National Register of Historic Places or be certified by the state historic preservation office as contributing to the historical significance of the district.

Proposed law retains present law and includes such structure located in a municipality with a population of less than 15,000 thousand persons.

Present law provides insurers taxed as corporations for Louisiana income and corporation franchise tax purposes shall claim a tax credit on their corporation income and corporation franchise tax return based on premium taxes paid. Provides that if the amount of the credit exceeds the amount of taxes due, any unused credit may be carried forward as a credit against subsequent tax liability for a period not to exceed five years. Provides that this credit is in addition to the 20% federal tax credit for such purposes.

Proposed law provides that the tax credit may be claimed against the premium tax for the period in which the credit is earned.

Present law authorizes taxpayers to sell their unused tax credits to one or more individuals or entities and may be transferred or sold by a taxpayer or any subsequent transferee an unlimited number of times.

Proposed law retains these provisions but provides that once claimed against the premium tax any subsequent transferee is limited to claim the credit against the same tax.

Present law requires the transferors and transferees to submit to the state historic preservation office and to the Department of Revenue a written notification of any transfer or sale of tax credits within 30 days after the transfer or sale of such tax credits. Further requires the notification to include the tax credit balance prior to the transfer, the credit identification number assigned by the state historic preservation office, the remaining balance after the transfer, the amount of the transfer, and any other information required by the state historic preservation office or the Department of Revenue.

Proposed law removes the state historic preservation office from such notifications and requirements.

Proposed law requires taxpayers claiming tax credits against premium taxes received by transfer to include a notification of transfer or sale of tax credits as an attachment to the premium tax return filed with the Department of Insurance. Requires that the notification include the transferor's tax credit balance prior to the transfer, the credit identification number assigned by the state historic preservation office, the remaining balance after transfer, all federal tax identification numbers and Department of Insurance account numbers for both transferor and transferee, the date of transfer, the amount transferred, and any other information as required by the Department of Insurance. Provides that failure to comply notification provisions shall result in the disallowance of the tax credit until the taxpayer is in full compliance.

Proposed law requires all taxpayers to pay the insurance premium tax and claim any credit against the tax on their annual premium tax statement.

Present law provides that the provisions of present law shall be effective for all taxable years ending prior to Jan. 1, 2016.

Proposed law extends the tax credit applicability from taxable years ending prior to Jan. 1, 2016, to taxable years ending prior to Jan. 1, 2018.

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

(Amends R.S. 47:6019(A)(1)(a), (2)(a), (3)(a), (3)(b)(i)(aa), and (cc), (3)(b)(ii)(aa) and (dd)(I), (B)(1)(a) and (C); and adds R.S. 22:832(F) and R.S. 47:6019(3)(b)(i)(dd) and (3)(b)(ii)(ee))