

2016 First Extraordinary Session

HOUSE BILL NO. 38

BY REPRESENTATIVE FOIL

TAX CREDITS: Increases the amount of the tax credit for contributions to educational institutions (Item #10)

1 AN ACT

2 To amend and reenact R.S. 47:37(C) and 287.755(C), relative to tax credits for contributions
3 to educational institutions; to increase the amount of the credit; to provide for
4 applicability; to provide for an effective date; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:37(C) and 287.755(C) are hereby amended and reenacted to read
7 as follows:

8 §37. Tax credit for contributions to educational institutions

9 * * *

10 C. There shall be allowed a credit against the tax liability due under the
11 income tax for donations, contributions, or sales below cost of tangible movable
12 property made to educational institutions in the state of Louisiana. The credit
13 allowed by this Section shall be computed at the rate of ~~twenty-nine~~ forty percent of
14 such property's value, as defined herein, or, in the case of a sale below cost, ~~twenty-~~
15 ~~nine~~ forty percent of the difference between the price received for the tangible
16 movable property by the taxpayer and the value of the property as defined herein.
17 The credit shall be limited to the total of the tax liability for the taxable year for
18 which it is being claimed and shall be in lieu of the deductions from gross income
19 provided for in R.S. 47:57. The credit shall not be allowed if the taxpayer arbitrarily,

1 capriciously, or unreasonably discriminates against any person because of race,
2 religion, ideas, beliefs, or affiliations.

3 * * *

4 §287.755. Tax credit for contributions to educational institutions

5 * * *

6 C. There shall be allowed a credit against the tax liability due under the
7 income tax for donations, contributions, or sales below cost of tangible movable
8 property made to educational institutions in the state of Louisiana. The credit
9 allowed by this Section shall be computed at the rate of ~~twenty-nine~~ forty percent of
10 such property's value, as defined herein, or, in the case of a sale below cost, ~~twenty-~~
11 ~~nine~~ forty percent of the difference between the price received for the tangible
12 movable property by the taxpayer and the value of the property as defined herein.
13 The credit shall be limited to the total of the tax liability for the taxable year for
14 which it is being claimed and shall be in lieu of the deductions from gross income
15 provided for in R.S. 47:57. The credit shall not be allowed if the taxpayer arbitrarily,
16 capriciously, or unreasonably discriminates against any person because of race,
17 religion, ideas, beliefs, or affiliations.

18 * * *

19 Section 2. The provisions of this Act shall apply to all claims for the credits as
20 provided in R.S. 47:37 and 287.755 claimed on any return filed for any taxable year
21 beginning on or after January 1, 2015.

22 Section 3. This Act shall become effective upon signature by the governor or, if not
23 signed by the governor, upon expiration of the time for bills to become law without signature
24 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
25 vetoed by the governor and subsequently approved by the legislature, this Act shall become
26 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 38 Original

2016 First Extraordinary Session

Foil

Abstract: Increases the amount of the tax credits for contributions to educational institutions from 29% to 40% of the value of the property donated.

Present law (R.S. 47:37 and 287.755) provides for an income tax credit against a taxpayer's tax liability for contributions, donations, or selling below cost of items tangible movable property to a public educational institution for the purpose of research, research training, or direct education of students in the state.

Present law allows a tax credit equal to 29% of the property's value, or in the case of a sale below cost, 29% of the difference between the price received and the value of the property.

Proposed law increases the allowable credit from 29% to 40% of the property's value or the difference between the price received and the value of the property.

Applicable to all taxable years beginning on or after Jan. 1, 2015.

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

(Amends R.S. 47:37(C) and 287.755(C))