2017 Regular Legislative Session Review

Policy Services Division
Administrative

Act 147 (HB 268) Mandates state agencies who have an agreement with the IRS to access federal tax information to conduct national, state and local criminal history records checks, including fingerprinting, of current and prospective employees, contractors and subcontractors to determine their suitability to access federal tax information. Effective June 12, 2017.

[Enacts R.S. 15:587.5 and 587.6, R.S. 23:1657.1, R.S. 36:254.3 and 701.1, R.S. 39:15.1.1 and 15.1.2, R.S. 46:51.3, and R.S. 47:1504.1]

Act 150 (HB 333) Authorizes the secretary to require the electronic filing of any tax return or report or payment of taxes by electronic funds transfer by rule adopted and promulgated in accordance with the Administrative Procedures Act. This authority does not extend to individual income tax returns. Provides an exemption from the mandatory electronic payment requirement if taxpayer can prove such payment would create an undue hardship. Effective June 12, 2017.

[Amends and reenacts R.S. 47:1519(B) and 1520(A)(1)(c), (e), and (g) and (2), (B), and (C) and enacts R.S. 47:1519(D) and 1520(A)(3)]

Act 211 (HB 307) Requires the state chief procurement officer to obtain a tax clearance from LDR indicating that a prospective contractor for a procurement contract with the state that requires the approval of the central purchasing agency is current in the filing of all applicable tax returns and reports, and in payment of all taxes, interest, penalties, and fees owed to the state before approving the contract. Exempts certain procurement contracts and bidding on or solicitation of a procurement contract from the tax clearance requirement. Provides an exception to R.S. 47:1508 to allow the secretary to disclose such information to the central purchasing agency to be used solely by the agency and only for the purpose of determining whether it may approve the contract. Prohibits LDR from issuing or renewing a state sales tax resale certificate for any applicant unless the applicant is current in filing all tax returns and in payment of all taxes, interest, penalties, and fees owed to this state. The Act applies to all requests for a state sales tax resale certificate and all approvals or requests for approval of a contract submitted on or after October 1, 2017. Effective June 14, 2017.

[Enacts R.S. 39:1624(A)(10) and R.S. 47:1508(B)(41) and 1678]

Act 260 (HB 249) Provides relative to the payment of fines, fees, costs, restitution, and other monetary obligations related to an offender's conviction. Requires a court, prior to ordering the imposition of any financial obligations, to determine whether payment in full of the aggregate amount of all the financial obligations imposed upon the defendant would cause substantial financial hardship to the defendant or his dependents. This determination shall apply only to those defendants convicted of a felony offense and cannot be waived by the defendant. The Act allows a court to refer unpaid monetary obligations to the office of debt recovery pursuant to R.S. 47:1676. The Act also amends the current definition of 'agency' found at R.S. 47:1676(B)(1) to include courts solely for the purpose of recovering unpaid monetary obligations that remain at the end of the defendant's probation period. Effective August 1, 2018.

[Amends and reenacts R.S. 47:1676(B)(1) and Code of Criminal Procedure Articles 3 883.2(D), 884, 885.1(A), (C), and (D), 888, 894.4, 895.1(A)(1) and (2)(a) and (E), 4 and 895.5(C) and enacts Code of Criminal Procedure Article 875.1]

Act 274 (HB 601) Establishes the Louisiana Uniform Local Sales Tax Board is a political subdivision of the state subject to the all the same requirements applicable to a public body such as procurement, ethics,
record retention, fiscal and budget controls and the legislative audits. Its domicile is East Baton Rouge Parish. The Louisiana Uniform Local Sales Tax Board supports and advises local tax collectors concerning the collection and administration of local taxes. Act 274 also establishes the Louisiana Sales and Use Tax Commission for Remote Sellers, which is placed within the Department of Revenue. This is to be an independent agency within the Department of Revenue for the administration and collection of state and local sales and use taxes related to remote sales, and for the promotion of uniformity and simplicity in sales and use tax compliance for remote sellers. Effective June 16, 2017.

[Amends and reenacts R.S. 36:459(A) and 47:302(K)(6), 337.2(C)(1)(a), 337.19(A), 337.23(B)(1)(b), (d), and (e), 337.49, 337.81(A)(1), 337.86(E)(3), 337.87(C)(d), 337.92(A)(1), 337.102 and 1407]

Act 344 (HB 446) Expands the exception to R.S. 47:1508 that allowed the sharing of information between the secretary, attorney general and ATC commissioner with professional service firms retained for calculating tobacco revenue owed to the state pursuant to the Master Settlement Agreement to allow such information to be shared with a court, arbitrator or professional service firm retained to assess compliance with or otherwise calculate the tobacco revenue owed to the state pursuant to the Master Settlement Agreement, the NPM (Non- participating Manufacturer) Adjustment Agreement, as well as with counsel for the parties or experts in any related proceedings. Effective July 1, 2017.

[Amends and reenacts R.S. 47:1508(B)(8) and (11)]

Act 401 (SB 98) Requires Louisiana Department of Revenue, the Department of Economic Development, and other agencies which administer incentive expenditure programs to coordinate and implement procedures for developing the estimate of the incentive expenditures for submission to Revenue Estimating Conference, Legislative Fiscal Office, and Division of Administration. Effective July 1, 2017.

[Amends and reenacts the introductory paragraph of R.S. 39:2(15.1), 24.1(A), (C), and (E)(3), 34(A), 51(A)(2), and 56(A) and enacts R.S. 39:24.1(E)(4) and (5) and 36(A)(7)]

Collection

Act 186 (SB 109) Ratifies and enacts Executive Orders JBE 2016-53, 2016-57, and 2016-66 which due to the August 2016 flooding created a limited suspension of all prescription and preemptive periods from August 12, 2016, until September 30, 2016, and extended deadlines in legal proceedings in courts, administrative agencies, and boards, both with certain exceptions. The suspension and extension of prescriptive periods contained in Executive Orders JBE 2016-53, 2016-57, and 2016-66 do not apply to any prescriptive period or preemptive period accruing on or after October 1, 2017. Act 186 supersedes and controls to the extent of conflict with any other provision of law and applies retroactively. Effective June 12, 2017.

[Enacts Part V of Chapter 1 of Code Title XXIV of Code Book III of Title 9 of the Louisiana Revised Statutes of 1950, comprised of R.S. 9:5826 and 5827]

Ethics

Act 30 (HB 90) Authorizes a public servant to receive donations or contributions from a not-for-profit organization, or fund within a not-for-profit organization, not to exceed twenty-five thousand dollars, up to five years following a gubernatorially declared disaster or emergency. Effective June 3, 2017.

[Enacts R.S. 42:1111.1 and repeals R.S. 42:1123(36)]
Local Taxes

**Act 134 (HB 109)** Provides for the representatives on the central collection commission for St. Landry Parish. The parish school board, sold waste commission, and the city of Opelousas have one representative each. The parish governing authority, the parish sheriff, the St. Landry Economic and Industrial Development District shall each have one representative. Effective August 1, 2017.

[Amends and reenacts 47:337.14(E)]

**Act 330 (HB 56)** Provides that the West Ascension parish Hospital Service District is authorized to levy and collect a sales and use tax not to exceed one-fourth of one percent within the boundaries of the district. The reduction of the sales and use tax levy shall be subject to the approval of a majority of the voters of the district. Effective July 1, 2017.

[Amends and reenacts R.S. 47:338.164(A)]

**Act 397 (SB 252)** Provides that the automobile rental tax collected in Orleans Parish shall be distributed in the amount of twenty five percent the New Orleans Regional Black Chamber of Commerce, if such distribution is made pursuant to a cooperative endeavor agreement between the chamber and the city of New Orleans, which provides conditions of the distribution is for public purpose and not gratuitous and the city of receives something comparable of value in accordance with Art. VII, Section 14(A) of the Louisiana Constitution. Effective June 23, 2017.

[Amends and reenacts R.S. 47:551(D)]

Hotel Taxes

**Act 4 (HB 16)** Authorizes the governing authority of the town of Jonesboro to levy and collect a hotel occupancy tax. Effective July 1, 2017.

[Enacts R.S. 47:338.218]

**Act 310 (SB 83)** Provides that Visit Baton Rouge may levy an additional two percent tax upon the paid occupancy of hotel rooms located in East Baton Rouge Parish but not within the municipalities of Baker, Central or Zachary, or within the boundaries of the Baton Rouge North Economic Development District. The levy of the additional tax shall be subject to the approval of a majority of electors residing within East Baton Rouge Parish but not within the municipalities of Baker, Central or Zachary, or within the boundaries of the Baton Rouge North Economic Development District who vote on a proposition authorizing the levy of the tax. Effective June 16, 2017.

[Amends and reenacts R.S. 33:4574.1(a)(6) and 47:338.217]

Corporation Income and Franchise Taxes

**Act 352 (HB 555)** Provides an exclusion from gross income for amounts received as dividend income by any member of a regulated group of entities. Effective for tax years beginning on or after January 1, 2018.

[Amends and reenacts R. S. 47:287.71(B)(6)]
Act 358 (HB 639) Excludes compensation earned by a nonresident business or employee that performs disaster or emergency-related work within the state during a disaster period. Effective July 1, 2017 and applicable to tax years beginning on or after January 1, 2018.

[Amends and reenacts R.S. 47:242 and 293(10) and enacts R.S. 47:53.5, 111(A)(11), and 287.71(B)(8)]

Act 400 (SB 79) Makes permanent the reductions to income and corporate franchise tax credits enacted by Act 125 of 2015. Rounds the credit values from percentages to whole numbers. Removes the 2015 reduction to the insurance premium tax credit. Effective June 26, 2017 and applicable to taxable periods beginning on or after January 1, 2017, unless otherwise provided by the statute granting the credit.

[Amends and reenacts R.S. 47:227, 287.759(A), 297(B) and (G)(2), 297.6(A)(1)(a), 6005(C)(1), 6013(A), 6020(D)(2)(a), 6034(C)(1)(a)(iii)(bb)(introducory paragraph), and (d)(ii), and 6037(B)(2)(b)(i) and (ii) and (c) all as amended by Section 2 of Act No. 125 of the 2015 Regular Session, R.S. 47:6022(D)(3)(introducory paragraph), and R.S. 51:2354(B)(introducory paragraph) and 2399.3(A)(2)(f), both as amended by Section 3 of Act No. 125 of the 2015 Regular Session, R.S. 51:2354(C) and 2399.3(A)(2)(c), (d), and (e), and Sections 7 and 8 of Act No. 125 of the 2015 Regular Session of the Legislature, enacts R.S. 47:6022(D)(4), 6034(C)(1)(a)(iii)(cc) and (d)(iii), R.S. 51:2354(D) and 2399.3(A)(2)(f), and repeals Sections 4, 5, and 6 of Act No. 125 of the 2015 Regular Session of the Legislature]

Individual Income Tax

Act 67 (HB 566) Creates an individual income tax checkoff to allow an individual to donate all or a portion of their state income tax refund to the Louisiana Horse Rescue Association. Requires LDR to administer the donated monies and disburse the monies quarterly to the Louisiana Horse Rescue Association. Effective for tax years beginning on or after January 1, 2018.

[Enacts R.S. 47:120.331]

Act 270 (HB 337) Expands the credit against individual income tax liability for the inclusion of accessible and barrier-free design elements in a dwelling. Changes the credit from the lesser of $720 or 72% total tax liability to the lesser of $5,000 or cost of construction or renovation. The credit must be taken in the taxable year that the construction or renovation of the dwelling is completed. Limits claim for the credit for inclusion of accessible and barrier-free design elements in either the construction of a new one- or two-family dwelling or the renovation of an existing dwelling, provided that the taxpayer owns the dwelling, claims the homestead exemption, and the taxpayer, the taxpayer’s spouse, or an individual residing with and qualifying as a dependent of the taxpayer for purposes of determining the taxpayer’s federal income tax liability has a physical disability that requires, or will require, such design elements in the dwelling. Also, if the dwelling is co-owned in indivision by two or more taxpayers who can claim a homestead exemption on the dwelling, the credit is limited to the pro-rata ownership interest of the taxpayers. Allows the taxpayer to claim the credit if any individual whose principal place of abode for the taxable year is the taxpayer’s home or there is a lease between the taxpayer and an individual occupying and residing in the taxpayer’s dwelling and the individual has a physical disability that requires, or will require accessible and barrier-free design elements in the dwelling. The amount of credit exceeding the amount of the taxpayer’s liability for the tax year may be carried forward as a credit for five years. The total amount of credit granted by LDR in any calendar year cannot exceed $500,000. Claims for credits are on a first-come, first-served basis. Allows taxpayer whose claims are disallowed due to the cap to claim the credit in the next calendar year and have priority over other claims. Effective for taxable periods beginning on or after January 1, 2018.
[Amends and reenacts R.S. 47:297(P) (1), (2), (3)(introductory paragraph), and (5) and enacts R.S. 47:297(P)(6) and (7)]

**Act 358 (HB 639)** Provides an exclusion from gross income for a nonresident business that performs disaster or emergency-related work within the state during a disaster period. Provides an exclusion from gross income for an out-of-state employee for compensation for personal services rendered during a declared state disaster or emergency. Effective July 1, 2017.

[Amends and reenacts R.S. 47:242 and 293(10) and enacts R.S. 47:53.5, 111(A)(11), and 287.71(B)(8)]


[Amends and reenacts R.S. 3:2364 and 2366(A), (B), (C), (D)(introductory paragraph), and (E)(introductory paragraph) and (1), and R.S. 47:120.71(section heading) and (A), enacts R.S. 36:629(C)(9), and repeals R.S. 3:2365 and R.S. 36:4(W)]

**Withholding Tax**

**Act 384 (SB 177)** Requires the payor of motion picture production and motion picture payroll services companies to withhold taxes from employee payments in an amount determined in accordance with an employee’s withholding allowance certificate. Effective July 1, 2017.

[Amends and reenacts R.S. 47:164(D)(2)(b)]

**Tax Credits and Rebates**


[Amends and reenacts R.S. 51:1787(K)]

**Act 223 (HB 508)** Modifies the fee for transfers of motion picture tax credits from $200 to 2% of the tax credit transfer value. Requires collections of the fee to be deposited into the Louisiana Entertainment Development Fund (“the fund”), after satisfying Article VII, Section 9(B) of the LA Constitution. Requires the Legislature to appropriate 25% of the fund to LDR for administrative purposes. Effective June 15, 2017 and applicable to projects that apply to LED on or after July 1, 2017.

[Amends and reenacts R.S. 47:6007(C)(4)(b) and enacts R.S.47:6007(C)(4)(g)]

**Act 275 (HB 646)** Adds provisions for a project based production credit and a company based QMC payroll credit within the annual cap of the program and reduces the amount of the fee for verification of a cost expenditure verification report and the amount of the deposit for such report. Effective August 1, 2017.

[Amends and reenacts R.S. 47:6023(A)(introductory paragraph), (1)(b), (B), (C)(1)(introductory paragraph) and (b) and (3)(introductory paragraph), (D)(1)(introductory paragraph), (2)(c), (d), and (e), and (4), (E), and (I), enacts R.S. 47:6023(C)(1)(c) and (d), (4), and (5), and repeals R.S. 47:6023(A)(2)l]
Act 325 (SB 243) For all purchases of qualified clean-burning motor fuel property on or after January 1, 2018, changes the tax credit from refundable to nonrefundable. Reduces credit from 36% to 30% of the cost of qualified clean-burning motor vehicle fuel property. For the purchase of new vehicles originally equipped to be propelled by an alternative fuel, eliminates the option of determining the exact cost that is attributable to the alternative fuel property and provides a credit equal to the lesser of 7.2% of the cost of the new vehicle or $1,500. Requires commercial vehicles to be registered and primarily used in Louisiana for four years after the conversion to be eligible for the credit. Clarifies that costs associated with fueling station infrastructure that is not directly related to the delivery of an alternative fuel into the fuel tank of motor vehicles are not eligible for the credit. Effective June 22, 2107.

[Amends and reenacts R.S. 47:6035(A), (B)(2), (C)(1), (D), and (E) and repeals R.S. 47:6035(C)(1) and (D) as amended by Section 5 of Act 125 of the 2015 Regular Session of the Legislature]

Act 245 (SB 150) Impacts the Ports of Louisiana Tax Credits. Removes requirement that state bond commission certify to LED secretary that securing a project will result in “significant positive economic benefit to the state” (retains the JLCB’s role in certifying that the project will result in significant positive economic benefit). Makes permanent the 2015 reduction to the Investor Tax Credit. Extends sunset on Investor Tax Credit until July 1, 2021. Effective June 14, 2017.

[Amends and reenacts R.S. 47:6036(C)(1)(b) as amended by Section 2 of Act No. 125 of the 2015 Regular Session of the Legislature, (G), the introductory paragraph of (I)(1), (I)(1)(c) and (2)(a) and to repeal R.S. 47:6032(C)(1)(b) as amended by Section 5 of Act No. 125 of the 2015 Regular Session of the Legislature and R.S 47:6036(K)]

Act 309 (SB 254) Amends the motion picture production tax credit relative to the eligible amounts and types of tax credits authorized. Creates a new category of “legacy credits” which are eligible for transfer back to the state (buy-backs) at the rate of eighty-five percent of the face value of the credit. Eliminates transferability of the credit beginning with applications for initial certification received by the Louisiana Department of Economic Development on or after July 1, 2017. For such credits, increases the buy-back rate to ninety percent of the face value of the credit. Makes permanent the $180 million per fiscal year credit cap applicable to credits against state income tax allowed on returns or used as a payment and for credits transferred back to the state. Effective June 15, 2017.

[Amends and reenacts R.S. 47:6007(B)(1), (8), (11) as amended by Acts 2015, No. 129, (14), (16) as amended by Acts 2015, No. 141, (17) as amended by Acts 2015, No. 129, (21), (24), the introductory paragraph of R.S. 47:6007(C)(1), R.S.47:6007(C)(1)(a) and (b), the introductory paragraphs of R.S. 47:6007(C)(1)(c) and (4), R.S. 47:6007(C)(4)(b) and (C)(4)(f) as amended by Acts 2015, No. 129 and 134,R.S. 47:6007(D)(1)(a) and (2)(c)(i) as amended by Acts 2015, No. 141, (d), (D)(2)(e)(i) as amended by Acts 2015, No. 144, (9)(b)(i), and (I), enacts R.S. 47:6007(B)(28), (29), (30), (31), (32), (33), (34), and (C)(3)(d), (C)(4)(g), (D)(1)(d)(v) and (2)(a)(i)(gg) and (hh), (2)(a)(ii), and (e)(iv), and (J), and repeals R.S. 47:6007(B)(4), (11) as amended by Acts 2015, Nos. 134 and 144, (16) as amended by Acts 2015, No. 134 and 412, (17)(c), (d), and (e) all as amended by Acts 2015, Nos. 134, 141, 142, 143, 144, and 412, (23), (C)(1)(d), (C)(4)(f) as amended by Acts 2015, No. 144, (D)(2)(c)(i) as amended by Acts 2015, No. 412, (D)(2)(e)(i) as amended by Acts 2015, Nos. 129, 141, and 412]

Act 336 (HB 300) Provides relative to the amount of the research and development tax credit and authorizes transferability of the credit under certain circumstances. Sunsets the credit on December 31, 2021. Effective June 22, 2017 for tax periods beginning on or after January 1, 2017.

[Amends and reenacts R.S. 47:6015(C)(2), (D), (E)(1), and (J)]

Act 338 (HB 313) Authorizes eligibility for the inventory tax credit for certain property held by persons engaged in the short term rental of such items. “Short term rental” is defined as the rental of tangible personal property for less than 365 days, for an undefined period, or under an open-ended agreement. Effective June 22, 2017, for tax periods beginning on or after January 1, 2016.

[Amends and reenacts R.S. 47:6006(C)(2)(introductory paragraph), (b)(ii), (iii), and (iv) and (4) and enacts R.S. 47:6006(C)(2)(a)(iv)]

Act 342 (HB 427) Changes the criteria relative to the small town doctor tax credit. Requires the Department of Health to certify eligibility of applicants as required by regulation and expands eligibility to include nurse practitioners. Requires a certified medical primary care health professional who is a physician, nurse practitioner, or dentist to be in a primary care geographic health professional shortage area (HPSA), as defined by the federal government, and in a rural area as defined by the Louisiana Department of Health. Caps the amount of credit certified by the Department of Health and granted by the Department of Revenue at $1.5 million per calendar year. Sunsets the credit for applications received on or after January 1, 2021. Effective January 1, 2018.

[Amends R.S. 47:297 (H)]

Act 345 (HB 454) Extends sunset of the Angel Investor Tax Credit Program to July 1, 2021 and reduces the amount of the credit and time period for claiming the credit from 35% of the amount of investment taken over 5 years to 25% of the amount of investment taken over 3 years. Requires LED to certify the business as a Louisiana Entrepreneurial Business prior to the award of the credit. Reduces annual per business investment limit from $1 million to $720,000 and total per business investment limit from $2 million to $1.44 million. Effective in part July 1, 2017 and in part July 1, 2108.

[Amends and reenacts R.S. 47:6020]


[Amends and reenacts R.S. 47:297(D) and repeals R.S. 47:297(D)(2)]

Act 377 (SB 95)Converts the rebate authorized in prior law for donations to student tuition organizations to a nonrefundable tax credit for donations made on or after January 1, 2018 with a three year credit carryforward period. Provides that the credit is earned when the donation is made and prohibits the use of any other state tax credit, deduction, exemption or tax benefit claimed pursuant to the donation. Requires funds to be designated for a specific student and requires the STO to make an accounting of all funds received on July 1 of each year. Effective June 23, 2017.
Act 385 (SB 182) Repeals previous requirement that taxpayers affiliated or related to another entity through common ownership by the same interests or as parent and subsidiary be treated as a single taxpayer for purposes of determining the eligible amount of inventory tax credit. However, maintains the requirement for taxpayers included in a consolidated federal return. Effective June 23, 2017 and applicable to claims for a credit authorized by R.S. 47:6006 on a return filed on or after July 1, 2017.

[Amends and reenacts R.S. 47:6006(B)(2) and (4)]

Act 386 (SB 183) Provides for termination dates for certain tax incentive and rebate programs, including the University and Development Parks Tax Exemption, Angel Investor Tax Credit Program, Enterprise Zone Program, Quality Jobs Program, the Louisiana Mega-Project Energy Assistance Rebate, and Competitive Projects Payroll Incentive Program. Modifies requirements for participation in the Quality Jobs Program for advance notifications filed on or after July 1, 2017 unless a Louisiana Economic Development organization certifies that it is in active negotiations on an economic development project with a business, submits project details including the anticipated number of jobs payroll, and the business submits an advanced notification before January 1, 2018. Effective June 23, 2017.

[Amends and reenacts R.S. 51:1787(K), the introductory paragraph of R.S. 51:2452(A), 2453(1), the introductory paragraph of 2453(2), 2453(2)(a), (b), and (c)(ix), (4), and (6), 2455(E)(1), 2457(A)(2)(b), (j), and (5), 2461, and 3121(C)(3)(a)(ii) and enacts R.S. 17:3389(G), R.S. 51:2367(F), 2453(2)(c)(x), (xi), and (xii), and 2458(11)]

Act 396 (SB 248) Caps the musical and theatrical tax credit at $10 million per fiscal year. Caps each project at $1 million per project and reserves 50% of the total tax credits each year for state-certified musical or theatrical productions by approved nonprofit organizations. Sunsets the credit for applications received on or after July 1, 2025. Effective July 1, 2017.

[Amends and reenacts R.S. 47:6034(C)(1)(a)(ii)(aa) and (bb), (4), and (K) and repeals R.S. 47:6034(C)(1)(a)(ii)(bb) as amended by Section 5 of Act No. 125 of the 2015 Regular Session of the Legislature]

Act 403 (SB 172) Repeals the reduction to the insurance company premium tax (R.S. 47:227) imposed by Act 125 of the 2015 Regular Session of the La. Legislature and amends and terminates the following tax credits as follows:

1.) Terminates the following tax credits as of January 1, 2020:
   - R.S. 47:34 & 47:287.749-new jobs credit
   - R.S. 47:37 & 47:287.755-contributions of tangible personal property of a sophisticated nature & technological nature to educational institutions
   - R.S. 47:287.748-corporation tax credit; re-entrant jobs credit
   - R.S. 47:287.752 & 47:297(O)-tax credit for employment of first-time nonviolent offenders
   - R.S. 47:297(A)-credit for certain disabilities
   - R.S. 47:297(B)-credit for certain federal tax credits
   - R.S. 47:297(C)-gasoline & special fuels taxes for commercial fisherman
   - R.S. 47:297(D)-donations to public elementary or secondary schools
   - R.S. 47:297(F)-family responsibility
   - R.S. 47:297(G)-environmental equipment
   - R.S. 47:297(H)-small town health professional
• R.S. 47:297(I)-bone marrow donor expenses
• R.S. 47:297(J)-educational expenses incurred for degree related to law enforcement
• R.S. 47:297(K)-employment of certain first-time drug offenders
• R.S. 47:297(L)-purchase of bullet-proof vest
• R.S. 47:297(M)-long-term care insurance premiums credit
• R.S. 47:297(N)-living organ donation credit
• R.S. 47:297(P)-accessible and barrier-free constructed home credit
• R.S. 47:297.2-household expense credit
• R.S. 47:297.9-amounts paid by certain military service members and dependents for certain hunting and fishing licenses

2.) Terminates and amends the following tax credits as follows:
• R.S. 25:1226.4-tax exemptions and credits-terminates the credit for contracts entered on or after January 1, 2020
• R.S. 47:6019-historic rehabilitation credit-terminates the credit for expenses incurred on or after January 1, 2022.
• R.S. 47:6035-alternative fuel tax credit-eliminates the option of determining the exact cost of the alternative fuel property and changes the credit for the purchase of new motor vehicles originally equipped to be propelled by an alternative fuel to ten percent of the purchase price or $2500, whichever is less. Terminates the credit for purchases of alternative fuel property made on or after January 1, 2022.

[Amends and reenacts R.S. 47:227 as amended by Section 2 of Act No. 125, of the 2015 Regular Session of the Legislature, R.S. 47:297.2, 6019(A)(I)(a), and 6035(D) and enacts R.S. 25:1226.4(D), R.S. 47:34(F), 37(I), 287.748(D), 287.749(E), 287.752(D), 287.755(I), 297(Q), 297.9(D), 6025(E), and 6035(I), and repeals R.S. 47:227 as amended by Section 5 of Act 125 of the 2015 Regular Session of the Legislature]

Act 413 (HB 187) Provides for payment of solar tax credit claims in annual installments for eligible taxpayers who were denied or would have been denied as a result of the credit cap provisions imposed by Act 131 of the 2015 Regular Session. Provides the annual installments shall be allowed in equal parts over three fiscal years beginning in FY 2017-2018 and ending in FY 2019-2020, with the maximum amount of credits paid in each fiscal year capped at $5 million, exclusive of interest. In the event the amount of credits to be paid in a fiscal year exceeds the $5 million cap, the credits shall be paid on a pro rata basis. If any taxpayer has not been allowed the full amount of credit after FY 2019-2020, any remaining is to be allowed in FY 2020-2021. Effective June 26, 2017.
[Amends and reenacts R.S. 47:6030]

Act 418 (HB 425) Removes the limitation of prior law on awards of the tax credit for ad valorem tax paid on offshore vessels when the ad valorem tax is paid under protest. Requires a taxpayer who pays the ad valorem tax under protest to notify LDR within five business days of the date that the lawsuit is filed. Provides recapture authority to LDR for credits where the taxpayer prevails in the lawsuit against the political subdivision. Applicable to corporation income tax periods beginning on and after January 1,2017 and corporation franchise tax periods beginning on or after January 1, 2018. Effective July 1, 2017.
[Amends and reenacts R.S. 47:6006.1 (A), (D)(2), (F), and (G)]
**Insurance Premium Tax**

**Act 313 (HB 664)** Removes the sunset date of January 1, 2019. The Act adds the following criteria that must be met by a health maintenance organization to be deemed a “qualifying Louisiana investment.”

1. Offers fully insured commercial or Medicare Advantage products.
2. Is domiciled, licensed, and operating in this state.
3. Maintains its primary corporate office and at least seventy percent of its employees in this state.
4. Maintains its core business functions in this state.

Effective January 1, 2018.

[Amends and reenacts R.S. 22:832(C)(6)(introductory paragraph) and enacts R.S. 22:832(C)(6)(c)]

**SR 209** Urges and requests BESE to adopt emergency rules, in accordance with the provisions of the Administrative Procedure Act and R.S. 47:6103(A)(2) and (B), to revise qualifications for the School Readiness Tax Credits for eligible child care staff to capture a portion of the proceeds resulting from the repeal of the Education Tax Credit to be used for child care teachers beginning with the 2018 calendar year.

**HR 217** Urges and requests BESE to adopt emergency rules, in accordance with the provisions of the Administrative Procedure Act and R.S. 47:6103(A)(2) and (B), to revise qualifications for the School Readiness Tax Credit for eligible child care staff, pursuant to R.S. 47:6106, to capture fifty percent of the proceeds resulting from the repeal of the Education Tax Credit established by R. S. 47:297(D)(2) as amended by Section 5 of Act No. 125 of the 2015 Regular Session of the Legislature to be used for child care teachers beginning with calendar year 2018.

**Sales Tax**

**Act 209 (HB 264)** Adds “fixed fee and guaranteed maximum price construction contracts” to the existing sales tax exclusion for sales of materials or services involved in lump sum or unit price construction contracts. Act 209 is applicable to additional state sales and use tax enacted on or after July 1, 2017. Effective June 14, 2017.

[Amends and reenacts R. S. 47:305.11(A)]

**Act 279 (SB 93)** Excludes from taxable services the sales and use taxes imposed by the state or a political subdivision upon the repair and fabrication including the surface preparation, coating, and painting of a fixed or rotary wing military aircraft or certified transport category aircraft. The aircraft are required to have a Federal Aviation Administration registration address outside of Louisiana. Beginning July 1, 2017 this sales tax exemption is operative and in effect relative to R.S. 47:302 and 321.1. Effective July 1, 2017.

[Amends and reenacts R.S. 47:301(14)(g)(iv), 302(AA), 302(AA)(29), and 321.1(F)(67)]


[Enacts R.S. 51:1301(D)]

**Act 333 (HB 224)** Creates the New Orleans Quality of Life Fund as a special fund in the state treasury and dedicates 3.97% of the state sales and use tax levied on hotel rooms in residential locations and
collected in Orleans Parish into the fund. Dedicates the avail of the state sales and use tax imposed on the sale of services and collected on hotel rooms which, as defined in 47:301(6)(a)(ii), are “at a residential location, including but not limited to a house, apartment, condominium, camp, cabin, or other building structure used as a residence” in Orleans Parish, to the fund as follows:

- R.S. 47:302.56 dedicates the 2% tax imposed by R.S. 47:302(C).
- R.S. 47:332.55 dedicates the .97% tax imposed by R.S. 47:331(C), notwithstanding R.S. 47:332.10 dedicates .97% of the state sales & use tax collected on hotel rooms in Orleans Parish into the New Orleans Convention and Visitors Bureau Fund.

[Enacts R.S. 47:302.56, 322.49, and 332.55]

**Act 340 (HB 396)** Amends the definition of tangible personal property to exclude platinum, gold, and silver bullion that is valued solely upon its precious metal content, whether in coin or ingot form, numismatic coins having a sales price of less than $1000, and numismatic coins sold at national, statewide, or multi-parish numismatic coin trade shows. Beginning October 1, 2017, the state sales tax exemption provided in R.S. 47:30(16)(b) for platinum, gold and silver bullion and numismatic coins is operative and in effect relative to R.S. 47:302 and 321.1. Effective June 22, 2017.

[Amends and reenacts R.S. 47:301(16)(b)(ii), 302(AA), 302(AA)(29) and 321.1(F)(67)]

**Act 378 (SB 97)** Defines “commercial farmer” and creates a registration process for farmers seeking an exemption certificate to avail themselves of the sales tax exemption for seeds used in the planting of crops, pesticides used for agricultural purposes, diesel fuel, butane, propane, or other liquefied petroleum gases used for farm purposes, and commercial farm irrigation equipment. All existing exemption certificates issued to farmers will be honored until July 1, 2019. Effective January 1, 2018.

[Amends and reenacts R.S. 47:301(10)(e), 305.3, 305.8, 305.37(A), and 305.63 and enacts R.S. 47:301(30)]


[Amends and reenacts R.S. 47:302(AA), 302 (AA)(29) and 321.1(F)(67)]

**Act 424 (HB 629)** Excludes from the definition of sale at retail the sale or purchase of any fuel or gas including butane or propane to a consumer for residential use by the consumer. Beginning October 1, 2017, polyroll tubing for commercial farm irrigation is added to the list in R.S. 47:305.25(A) as commercial farm equipment, which is exempt from state sales tax on the first $50,000 of the sales price for each item of commercial farm equipment. Act 424 amends R.S. 47:305.64(A)(2)(b) to add the Willis-Knighton Health System in Shreveport, Louisiana to the definition of qualifying radiation therapy center. Beginning July 1, 2017 the state sales tax exemption in R.S. 47:305.64 is operative and in effect relative to R.S. 47:302 and 321.1. Effective June 26, 2017.

[Amends and reenacts R.S. 47:301(10)(x)(i), 302(AA), 302(AA)(29), 305.25(A)(6), 305.64(A)(2)(b)(iv), and 321.1(F)(67)] amends R.S. 47:301(10)(x)
Act 426 (SB 180) Restores the state sales tax exemption for medical devices used by a patient under the supervision of a physician pursuant to La. R.S. 47:305(D)(1)(s). Beginning July 1, 2017, the state sales tax exemption for sales and purchases of medical devices used by patients under the supervision of a physician is operative and in effect relative to R.S. 47:302 and 321.1. Effective June 26, 2017.

[Amends and reenacts R.S. 47:302(AA), 302(AA)(29) and 321.1(67)]

Motor Fuels Tax (Special Fuels)

Act 145 (HB 230) Defines “aviation gasoline” as any gasoline which is intended for or primarily used for propelling aircrafts. Eliminates the ASTM D910 definition and specifies that motor fuel intended for and primarily used for propelling motor vehicles is not aviation gasoline. Effective July 1, 2017.

[Amends and reenacts R. S. 47:716.1 and 818.2(4)]

Severance Tax Exemption

Act 421 (HB 461) provides the following:

1. Production from an oil or gas well subsequent to the well having been inactive for two or more years or having thirty days or less of production during the past two years is subject to a severance tax rate equal to fifty percent of the full rate of tax imposed for a period of ten years.

2. Production from an oil or gas well subsequent to the well having been designated as an orphan well for longer than sixty months is subject to a severance tax rate equal to twenty-five percent of the full rate of tax imposed for a period of ten years.

3. To qualify for the reduced inactive or orphan well severance tax rate, the oil or gas production must be produced from the same perforated producing interval or from one hundred feet above and one hundred feet below the perforated producing interval for lease wells, and within the correlative defined interval for unitized reservoirs, that the formerly inactive or orphaned well produced from before being inactive or designated as an orphan well. The exemption shall be extended by the length of any inactivity of a well that has commenced production when such inactivity is caused by a force majeure.

4. To qualify for inactive or orphan well status for purposes of the special rate, an application for inactive or orphan well certification must be made to the Department of Natural Resources during the period beginning July 1, 2018, and ending June 30, 2023.

5. Once the well is certified as inactive or orphan, production is subject to the special rate from the date production begins or ninety days from the date of the application, whichever occurs first. If, in any one fiscal year, the Department of Revenue estimates that the severance tax paid under the provisions of this Item will be in excess of fifteen million dollars, the Department of Revenue will notify the Commissioner of Conservation, who will not certify inactive or orphan well status for any other wells for the remainder of that fiscal year. Certifications may begin again after the beginning of the next fiscal year.

6. If the severance tax is paid at the full rate before the Department of Natural Resources approves an application for inactive or orphan well status, the operator is entitled to a credit against taxes imposed in an amount equal to the tax paid. In order to receive a credit, the operator must apply to the Department of Revenue for the credit no later than the first anniversary after the date the Department of Natural Resources certifies that the well is an inactive or orphan well.

Effective August 1, 2017.

[Amends and reenacts R.S. 47:633(7)(c)(iv)]
Oilfield Site Restoration Fees

Act 411 (HB 98) Imposes an oilfield site restoration fee on crude petroleum from producing wells in Louisiana and on gas produced from producing wells in Louisiana. Clarifies that the amount of the fee is in proportion to the amount of the severance tax collected on the producing well. Specifies the full production rate fee is assessed for all production from oil and gas wells except for production from those that are identified as reduced rate production wells. Effective date July 1, 2017.

[Amends and reenacts R.S. 30:87(A), (B), and (F)(1)(a)(introductory paragraph) and repeals R.S. 30:87(D)]

Alcoholic Beverage Tax

Act 212 (HB 315) Allows donations of alcoholic beverages of high or low alcoholic content to licensed Type A special events or unlicensed civic, religious, or charitable organizations subject to the payment of any applicable excise taxes. Effective June 14, 2017.

[Amends and reenacts R.S. 26:341(A) (introductory paragraph) and 352]

Telecommunications Tax for the Deaf

Act 273 (HB 582) provides the following:
1. Imposes a four and one-half cent tax per month per line for each wireline access line and per telephone number for each wireless handset device on each residential and business customer of a local or wireless telecommunication service company operating in Louisiana.
2. The tax will be collected from each residential and business customer and remitted by each company on or before thirty days after the close of each calendar quarter to the department.
3. The tax does not apply to wireless devices used only for data purposes or to prepaid wireless devices.
4. The local or wireless telecommunication service company collecting and remitting the tax will be allowed a deduction, not to exceed three percent, from the amount collected and remitted to the department. The deduction will be disallowed if the remittance is not made timely.
5. The tax collected and remitted by the local or wireless telecommunication service company is not subject to any tax, fee, or assessment, nor is it to be considered revenue of the local or wireless telecommunication service company.

Effective October 1, 2017.

[Amends and reenacts R.S. 47:1061(A) and (B)]

Charitable Gaming

Act 214 (HB 323) Allows the governing authority of a municipality or parish to transfer regulatory authority over charitable gaming in that municipality or parish to the office of charitable gaming. The transfer must be done by ordinance. The Act expands the functions of bingo card dabber devices to include networking of charitable gaming organizations, player tracking, and accounting functions related to bingo, progressive bingo, and progressive mega bingo games. It provides that for a progressive bingo game, the predetermined amount of money that is deposited into a special account cannot exceed $200 and shall not constitute a part of the total amount of prizes awarded during that session. It further provides that for progressive mega jackpot bingo, that all contributions shall not constitute part of the total amount of prizes awarded during a session and that contributions deposited before each gaming session shall not constitute part of the total amount of prizes awarded during that session. It provides that the mega jackpot for a progressive bingo game may exceed the $4,500 prize limit but shall not exceed $100,000, if the game is played on bingo paper, bingo cards, or by using an Electronic Bingo Card Dabber Device. The
Act further provides that the mega jackpot for a progressive mega jackpot bingo game, networked or linked together through the use of Electronic Bingo Card Dabber Devices, may exceed the $4,500 prize limit, but shall not exceed $10,000. Provides that portions of a player's contributions to progressive mega jackpot bingo games may be used for consolation prizes and to contribute to the progressive mega prize pool and shall not be considered part of the $4,500 limit. It further requires 80% of the net win from progressive bingo and progressive mega jackpot bingo games to be paid to the charitable organization and 20% of the net win from such games to be paid to the distributors. It prohibits the sales of progressive mega jackpot bingo on an Electronic Bingo Card Dabber Device for any organization to exceed six games per hour and the gross sales of bingo and pull-tabs in a single reporting quarter for any organization. It authorizes the office of charitable gaming to suspend the sales of progressive mega jackpot bingo for any organization that violates the prohibition. Finally, the Act provides that electronic bingo dabber devices shall not be construed to be electronic video bingo machines or electronic pull-tab devices. Electronic bingo dabber devices shall not offer for play the games authorized to be played on electronic video bingo machines and electronic pull-tab devices. Effective date August 1, 2017.

[Amends and reenacts R.S. 4:732(A) through (E)(introductory paragraph) and (G) and 739(A)(1) and (2)(e) and (F) and enacts R.S. 4:707(J), 732(H) and (I), and 739(A)(2)(f)]