



2023 REGULAR SESSION LEGISLATIVE REVIEW

ADMINISTRATIVE

ACT 155 (HB 215) permits the office of motor vehicles within the Department of Public Safety and Corrections to accept credit cards, charge cards, and debit cards as a form of payment along with all other methods of payment currently accepted, for payment of fees, fines, taxes, penalties and interest. The office shall not be required to accept credit cards, charge cards, and debit cards for the International Registration Plan (IRP) authorized pursuant to R.S. 47:511(B). Effective August 1, 2023.

[Amends and reenacts R.S. 40:1322(D)]

ACT 255 (SB 118) extends the sunset for the Louisiana Tax Free Shopping Program until July 1, 2024. Effective June 12, 2023.

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

ACT 289 (SB 75) requires LDR to send assessments going to international addresses by First-Class Mail International with Electronic United States Postal Service Delivery Confirmation. Act 289 also limits the time for paying a self-assessment under protest to sixty days from the date of the notice of tax due. Under current law, when a taxpayer self-assesses tax but fails to remit the full amount due, R.S. 47:1568 requires LDR to send notice to the taxpayer of the remaining balance due. Act 289 requires the Secretary to send these notices by certified mail if the unpaid balance is greater than \$1,000. The Act is applicable to notices and assessments mailed on or after October 1, 2023.

[Amends and reenacts R.S. 47:1565(A) and 1568(B) and (C) enacts R.S. 47:1568(D)]

ACT 375 (HB 558) transfers management and supervision of the uniform local sales and use tax return and remittance system (System, also commonly referred to as Parish E-File) from the Department of Revenue (LDR) to the Louisiana Uniform Local Sales Tax Board (Board). The Act also requires the Board to design and implement a single remittance system where taxpayers can remit state and local sales and use taxes through a single transaction. However, LDR must continue to operate Parish E-File until the Board certifies that the new system is fully implemented and available to taxpayers, which it must do no later than January 1, 2026. For the period January 1, 2024 through December 31, 2025, LDR's expenditures with respect to Parish E-File are limited to \$504,000 annually and any enhancements made to Parish E-File during that time will be paid for pro rata by the collector(s) requesting the enhancements.

Jurisdiction over the advisory committee is moved from LDR to the Board, with the advisory committee making recommendations concerning the maintenance of Parish E-File to the Board. LDR will continue to be a member of the advisory committee. The advisory committee is being increased from five to seven persons, with the two additional persons to

Louisiana Department of Revenue

2023 Regular Session Legislative Summaries

be appointed by: (1) the Louisiana Association of Tax Administrators; and (2) the Governor from a list submitted by the Louisiana Association of Business and Industry.

The Board will fund the initial costs incurred for designing and implementing the single remittance system from the funding that it currently receives (dedication of a percentage of the total statewide collections of local sales and use taxes on motor vehicles, not to exceed three tenths of 1% of the collections). Effective January 1, 2024.

[Amends R.S. 47:337.5, 337.23, 337.102(C) and (1)(1) and (2)(a) and 340(E)(2) and enacts R.S.47:337.102(I)(4)]

Act 384 (HB 654) authorizes state entities to charge a fee for use of an electronic signature in connection with official documents. The state may accept payment for use of an electronic signature by credit cards, debit cards, and any other form of electronic payments approved by the treasurer. The fee shall be a convenience fee and paid directly to the state entity. The amount of the convenience fee, after review and recommendation by the treasurer, shall be approved by the Senate Committee on Revenue and Fiscal Affairs and the House Committee on Ways and Means. In addition, the amount of the convenience fee shall be disclosed to the signatory before the transaction is completed, and the signatory shall be given the option of proceeding without the electronic signature at that time. Effective June 14, 2023.

[Enacts R.S. 49:316.2]

CORPORATION INCOME AND FRANCHISE TAX

Act 430 (HB 631) repeals the “throwout rule,” as provided in R.S. 47:287.95, which requires unassignable sales to be excluded from both the numerator and the denominator for purposes of determining apportionable income. In addition, the Act amends R.S. 47:287.95(L) relative to market-based sourcing of apportionable income to eliminate an overlap of items specified as allocable income in R.S. 47:287.93. Specifically, the Act eliminates the rental, lease, or license of tangible personal property and immoveable property, and the lease or license of intangible property. The Act is applicable to taxable periods beginning on or after January 1, 2024. Effective January 1, 2024.

[Amends and reenacts R.S. 47:287.95(L)(1) and repeals R.S. 47:287.95(M)]

Act 432 (SB 9) provides an exemption for limited liability companies (LLC) filing as a real estate investment trust (REIT) for federal income tax purposes if 100% of the LLC's common stock is owned by a tax-exempt organization provided that both the stock ownership and REIT filing requirements were met no later than July 1, 2023. Effective June 27, 2023.

[Amends and reenacts R.S. 47:601(C)(1) and R.S.47:601(C)(1)(c)]

Louisiana Department of Revenue

2023 Regular Session Legislative Summaries

INDIVIDUAL INCOME

Act 239 (SB 61) creates a checkoff on individual income tax returns to designate a donation of all or part of the tax refund amount to Holden's Hope. Applicable to tax years beginning on or after January 1, 2023. Effective August 1, 2023.

[Enacts Subpart FFF of Part I of Chapter 1 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 47:120.391]

Act 242 (SB 89) directs the Department of Revenue to promulgate regulations relative to the net capital gains deduction for the purpose of reducing administrative requirements for certain taxpayers. At a minimum, the regulations must contain: (1) documentation requirements applicable to taxpayers claiming the deduction; (2) a de minimus exception to documentation requirements for small transactions eligible for the deduction; (3) restrictions on eligibility for transactions where the majority of the physical assets are located outside of Louisiana; and (4) restrictions on eligibility for transactions between related parties. Applicable to taxable years beginning on or after January 1, 2023. Effective August 1, 2023.

[Amends and reenacts R.S. 47:293(9)(a)(xvii), and (10) and enacts R.S. 47:293.1]

Act 262 (SB 183) allows taxpayers who claim the construction code retrofitting deduction to be eligible to receive grant funds under the LA Fortify Home Fund . Applicable to taxable years beginning on or after January 1, 2023. Effective June 12, 2023

[Amends and reenact R.S. 47:293(2)(f)]

Act 403 (HB 247) creates a nonrefundable credit against individual income tax for the purchase of one or more firearm safety devices in an eligible transaction. The credit is equal to the amount of the purchase price up to \$500. The purchase must be from a federally licensed dealer. Eligible items include safes, gun safes, gun cases, lock boxes, or other devices designed to be or can be used to store a firearm and which can only be unlocked by a key, combination or other similar means. Total credits granted by the Department of Revenue cannot exceed \$500,000 per calendar year. Credits will be granted on a first come, first serve basis. Taxpayers must submit receipts with their return when claiming the credit. Unused credits can be carried forward for five years. Applicable to taxable periods beginning on or after January 1, 2023, but no credit may be claimed after December 31, 2027. Effective July 1, 2023.

[Enacts R.S. 47:297.23]

Act 413 (HB 618) clarifies that taxpayers cannot claim both the credit for taxes paid to other states and the deduction for entity-level taxes paid to other states. Act 413 also repeals R.S. 47:33(A)(4) which was held to be unconstitutional and makes all other safeguards provided for in R.S. 47:33(A) permanent. Applicable to taxable years beginning on or after January 1, 2023. Effective June 15, 2023.

Louisiana Department of Revenue

2023 Regular Session Legislative Summaries

[Amends and reenacts R.S. 47:33 and Section 4 of Act No. 109 of the 2015 Regular Session of the Legislature as amended by Act No. 6 of the 2018 Second Extraordinary Session of the Legislature]

Act 423 (HB 32) increases the limitation on the deductions for elementary and secondary school tuition, educational expenses for home-schooled children, and educational expenses for a quality public education from \$5,000 to \$6,000 per child. Applicable to taxable years beginning on or after January 1, 2024. Effective June 27, 2023.

[Amends and reenacts R.S. 47:297.10(A), 297.11(A), and 297.12(B)(1)]

Act 452 (HB 443) creates a \$5,000 refundable credit against individual income tax for taxpayers who adopt a child who is unrelated to the taxpayer, and is less than two years old. The age of the child is determined at the time of placement. The credit must be claimed in the year the adoption is finalized. The credit cannot be claimed for a child adopted from foster care. Taxpayers who claim this credit cannot also claim the deduction provided in R.S. 47:297.21. Effective June 29, 2023 for adoptions finalized on or after January 1, 2023.

[Enacts R.S. 47:297.23]

Act 434 (SB 230) increases an individual's federal income tax liability, for purposes of the federal income tax deduction, by an amount equal to the amount by which the taxpayer's federal income tax was reduced through claiming disaster losses attributable to Hurricane Ida as itemized deductions on their federal return for tax years 2020 and 2021.. Effective June 27, 2023.

[Enacts R.S. 47:293.1]

FIDUCIARY INCOME

Act 450 (HB 428) adds partnerships, estates and trusts as entities eligible for the pass-through entity tax exclusion. The Act requires a partnership, estate or trust whose federal income is adjusted due to S corporation or partnership income or loss which the partnership, estate or trust excluded, to furnish a statement of such adjustment within 60 days of the adjustment. Act 450 also authorizes termination of the election for subsequent taxable periods when requested no later than November 1st of the current calendar year or 60 days prior to the close of the taxable year for fiscal year filers. If automatically terminated, the entity is prohibited from making the election for the succeeding five taxable periods. Applicable to taxable periods on or after January 1, 2023. Effective August 1, 2023.

[Amends and reenacts R.S. 47: 47:287.732.2(A)(3) and enacts R.S. 47:203(C), 287.732.2(A)(4)(c) and (d), and (G), 300.6(B)(2)(e), and 300.7(C)(2)(d)]

Louisiana Department of Revenue

2023 Regular Session Legislative Summaries

PARTNERSHIP INCOME TAX

Act 450 (HB 428) adds partnerships, estates and trusts as entities eligible for the pass-through entity tax exclusion. The Act requires a partnership, estate or trust whose federal income is adjusted due to S corporation or partnership income or loss which the partnership, estate or trust excluded, to furnish a statement of such adjustment within 60 days of the adjustment. Act 450 also authorizes termination of the election for subsequent taxable periods when requested no later than November 1st of the current calendar year or 60 days prior to the close of the taxable year for fiscal year filers. If automatically terminated, the entity is prohibited from making the election for the succeeding five taxable periods. Applicable to taxable periods on or after January 1, 2023. Effective August 1, 2023.

[Amends and reenacts R.S. 47: 47:287.732.2(A)(3) and enacts R.S. 47:203(C), 287.732.2(A)(4)(c) and (d), and (G), 300.6(B)(2)(e), and 300.7(C)(2)(d)]

TAX CREDITS AND REBATES

Act 251 (SB 69) recognizes the reauthorization of the federal Small Business Research and Development Act and extends the sunset on the Louisiana Research and Development Tax Credit from December 31, 2025 to December 31, 2029. Effective June 12, 2023.

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

Act 253 (SB 108) Extends sunset of the Angel Investor Tax Credit Program to July 1, 2030 and removes the provisions referencing requirements under the federal opportunity zones. Effective June 12, 2023 for taxable periods beginning on or after January 1, 2024. *[Amends and reenacts R.S. 47:6020]*

Act 350 (HB 408) updates the Research and Development tax credit to recognize the reauthorization of the federal Small Business Research and Development Act. The Act also defines the term “incentive” as a credit, rebate or exemption administered by the Department of Economic Development and creates an exception to the current anti-stacking provision for taxpayers receiving a state grant through the Small Business Innovation Retention Fund or Small Business Innovation Recruitment Fund. Applicable to taxable periods on or after January 1, 2023. Effective June 12, 2023.

[Amends and reenacts R.S. 47:6015(D)(1), (E)(3) and (4), and (I) and enacts R.S.47:6015(E)(5)]

Act 404 (HB 255) creates a refundable income tax credit for restaurants that donate oyster shells for a beneficial use. The amount of the credit is one dollar per 50 pounds of oyster shell material donated or \$2,000, whichever is less. To qualify, the oyster shells must be donated to the Oyster Shell Recycling Program of the Coalition to Restore Coastal Louisiana or any other oyster shell recycling program or activity designated as an approved program or activity. Total credits granted by Department of Revenue cannot exceed \$100,000 per calendar year and will be granted on a first come, first serve basis. Applicable to taxable periods beginning on or after January 1, 2024. Effective August 1, 2023.

Louisiana Department of Revenue 2023 Regular Session Legislative Summaries

[Enacts R.S. 47:6043]

Act 411 (HB 562) provides that productions for which a motion picture production tax credit is sought must include a promotional graphic acknowledging financial assistance of the state and eliminates the current alternative marketing option. Act 411 eliminates loan guarantees and deal closing funds as eligible expenses from the current 75% distribution of funds received by the Department of Economic Development (LED) from the application fee. However, workforce development programs and other motion pictures programs, as defined by LED regulation are added as eligible expenses. In addition, the Act prohibits taxpayers who fail to file or pay local, state, or federal tax returns or taxes, respectively, from earning or utilizing the credit until all obligations have been satisfied and a notice of cancellation or equivalent is filed. Finally, the Act eliminates the current 20% reservation on the front-end \$150 million cap imposed on amounts certified and extends the current July 1, 2025 sunset date to July 1, 2031. Effective August 1, 2023.

[Amends and reenacts R.S. 47:6007(B)(11), (C)(1)(a)(iv) and (4)(h)(iii)(bb), (D)(2)(c)(i) and (d)(i), (I), and (J)(1)]

Act 426 (HB 483) expands the rehabilitation of historic structures tax credit to include historic structures either individually listed or deemed as a contributing element within a National Register Historic District as determined by the National Park Service. The amount of the credit is increased to 25% of the eligible costs and expenses of the rehabilitation incurred on or after January 1, 2023 and before January 1, 2029, regardless of the year the property is placed in service. In addition, the Act provides that the credit for rehabilitation of a historic structure located in a rural area is 35% of the eligible costs and expenses of the rehabilitation incurred on or after January 1, 2023 and before January 1, 2029. For purposes of the Act, a "rural area" is defined as any of the following: (1) A parish with a population of less than 100,000; (2) A municipality with a population of less than 35,000; or (3) An unincorporated area of a parish with a population of 100,000 or more. Finally, the Act extends the sunset date from January 1, 2026 to January 1, 2029. Effective August 1, 2023.

[Amends and reenacts R.S. 47:6019(A)(1)(a), (B)(1) and (C) and enacts R.S. 47:6019(B)(1)(d) and (e)]

Act 433 (SB151) provides for \$150 million in Qualified Equity Investment (QEI) authority for New Markets Premium Tax Credits beginning on August 1, 2023. The Act further revises the definition of "recovery zone" to conform with the 2020 decennial census and to authorize follow-on investments in businesses that qualified pursuant to the previous 2020 emergency proclamation. The Act requires investment within 12 months of the purchase of the QEI and authorizes the Department of Insurance to recapture tax credits when, in connection with QEIs issued on or after August 1, 2023, the investor fails to invest a requisite amount in qualified low-income community businesses in Louisiana within 12 months of the issuance of the QEI with 50% invested in impact businesses. Effective June 27, 2023.

[Amends and reenacts R.S. 47:6016.1(B)(6), (7), and (10)(b), (E)(5)(c), (F)(3) and (4), (H)(1)(b), and (J)(1) and enacts R.S. 47:6016.1(E)(5)(d) and (F)(5)]

Louisiana Department of Revenue

2023 Regular Session Legislative Summaries

Act 437 (SB 41) provides a tax credit for a donation to an eligible wellness center on or after January 1, 2024 and before December 31, 2030. The credit is equal to 50% of the donation, limited to \$5,000. The Act requires the Louisiana Department of Health to establish and maintain a voluntary registry of maternal wellness centers and make the registry available to the public on its website. The Act further requires registered maternal wellness centers to submit an annual report to both the Louisiana Department of Health and the Department of Revenue no later than February first of each year and include a comprehensive status report on the maternal wellness center's services, activities, expenditures, goals and objectives achieved. Finally, the Act provides for a calendar year cap of \$5,000,000 on the credit. Applicable to taxable periods beginning on or after January 1, 2025. Effective August 1, 2023. *[Enacts Chapter 2-A of Subtitle VII of Title 47 of the Louisiana Revised Statutes of 1950, 3 to be comprised of R.S. 47:6111 through 6116]*

SALES TAX

ACT 15 (HB 171) eliminates the 200 or more separate transactions criteria from the “Dealer” provisions in R.S. 47:301(4)(m), and “marketplace facilitator” provisions in R.S. 47:304.1(C)(2). The Act further restricts the \$100,000 threshold to only remote retail sales as defined in R.S. 47:301, instead of “all retail sales” for the marketplace facilitator provisions. The Act limits the timeframe for notification of an approval or denial of a marketplace facilitator application to not later than thirty business days after receiving a completed application. Effective August 1, 2023. *[Amends and reenacts R.S. 47:301(4)(m)(i) and 340.1(C)(2) and (3) and (D)]*

Act 77 (HB 285) allows the Ruston and Monroe Tax Increment Financing Districts to expand the scope of their projects and/or use of state sales tax increment financing through December 31, 2048. Act 77 allows expansion of project scope and/or use of state sales tax increment financing for cooperative endeavor agreements (CEAs) that were initially approved by the Joint Legislative Committee on the Budget (JLCB) on or before July 1, 1997 and that were expanded by subsequent approvals of JLCB not to expire before August 1, 2019, with a maximum expansion period not beyond December 31, 2048. Effective August 1, 2023. *[Amends R.S. 33:9033(B)(3)]*

ACT 288 (SB 56) reinstates the state sales and use tax exemption for the Annual Louisiana Second Amendment Weekend Holiday. The holiday takes place on the first consecutive Friday through Sunday each September. In 2023, it will take place September 1-3. The exemption no longer applies to off-road vehicles, ATV's, vessels, airboats, animal feed, and float tubes. The exemption will continue to apply to firearms, ammunition, and hunting supplies, including pirogues. Effective July 1, 2023. *[Amends and reenacts R.S. 47:305.62(B)(3), and enacts R.S. 47:302(BB)(119), 321(P)(120), 321.1(I)(120), and 331(V)(120).]*

Louisiana Department of Revenue 2023 Regular Session Legislative Summaries

Act 297 (HB 127) exempts items furnished free of charge as samples in business-to-business exchanges at or in conjunction with conventions, trade shows, conferences and similar events from state excise and sales tax. Business-to-business exchange means a distribution by a business in a limited quantity with nominal value to another business as part of a genuine effort to sell or market the product being sampled. Nominal value means a value which is so small or slight that it is not considered real or substantial in comparison with what might reasonably be expected. Act 297 also repeals current law exempting cigars and pipe tobacco sampled on the premises of convention facilities during the convention of the International Premium Cigar and Pipe Retailers Association from the state tobacco tax through December 31, 2025. Effective August 1, 2023 through August 1, 2033.

[Amends R.S. 47:854(A) and (B) and 855 and enacts R.S. 26:421(F) and R.S. 47:302(BB)(119), 305.79, 321(P)(120), 321.1(I)(120), and 331(V)(120)]

ACT 391 (SB 153) creates the Correctional Facility Capital Outlay Fund. The fund is a special fund in the state treasury that will receive the state sales tax proceeds remitted by the Department of Corrections from the sale of arts and crafts items produced by inmates at correctional facilities owned and administered by the state. Monies in the fund shall be appropriated for capital outlay and major repairs at each correctional facility in proportion to the state sales tax proceeds remitted by each facility. Effective June 14, 2023.

[Enacts R.S. 39:100.59.3]

ACT 396 (SB 227) adds digital art to the works of art that qualify for the sales and use tax exemption for original, one-of-a-kind works of art purchased from established locations within a cultural product district. Digital art is defined to mean created content including, but not limited to, a picture, video, or song to which ownership can be proven through use of block chain or another similar mechanism. Effective July 1, 2023. However, the exemption that is being expanded (R.S. 47:305.57) is currently suspended and will not become effective again until July 1, 2026.

[Amends R.S. 47:305.57(B)(2) and enacts R.S. 47:305.57(B)(3)]

Act 425 (HB 330) establishes a state and local sales and use tax exemption for the impositions under R.S. 47:321 (1%), 47:321.1 (.45%), 47:331 (.97%) and R.S. 51:1286 (.03%) for purchases of agricultural fencing materials by commercial farmers from August 1, 2023 through June 30, 2029. Purchases of agricultural fencing by commercial farmers will still be subject to the 2% imposition under R.S. 47:302 for the period August 1, 2023 through June 30, 2029. Agricultural fencing materials means gates, hog wire fencing, barbed wire fencing, lumber or steel used as posts or rails, nails, screws, hinges, and concrete consisting of premixed dry mortar used for the purpose of fencing agricultural livestock. The term also means electric fence wire, insulated posts, power sources, grounding systems, warning signs, and other components of electric agricultural fencing. Act 425 repeals the state sales tax rebate set forth in R.S. 47:305.77 for purchases by commercial farmers of agricultural fencing materials used to replace or repair enclosures in federally declared disaster areas that were damaged or destroyed by hurricanes in 2020 or 2021. Effective August 1, 2023.

Louisiana Department of Revenue

2023 Regular Session Legislative Summaries

[Amends R.S. 47:337.9(D)(35) and enacts R.S. 47:305.79, 321(P)(120), 321.1(I)(120), 331(V)(120), and 337.9(D)(36) and repeals R.S. 47:305.77]

ACT 427 (HB 502) changes the commercial farmer definition by removing the reporting requirements of Schedule F, farm income and expenses, to the Department and removes the requirement of having a particular NAICS code. The definition retains that there must be commercial production of food, agricultural commodities, or agricultural products for sale; or a joint venture contractual relationship between a lessor landowner and the one who leases land for agricultural use. The Act also requires that the farmer be engaged in the activity for profit. Effective August 1, 2023.

[Amends and reenacts R.S. 47:301(30)]

ACT 429 (HB 619) adds admissions to any museum with a primary purpose of showcasing of Louisiana music and opens to the public on or after January 1, 2026, as a taxable service. Effective August 1, 2023.

[Amends and reenacts R.S. 47:301(14)(b)(i)(aa)]

SEVERANCE TAX

Act 431 (HB 634) clarifies that with regard to deep wells and the term “commercial production”, production begins the first day the well produces into the permanent production equipment and the facilities have been constructed to process and deliver natural gas, gas condensate, or oil to a sales point. It further clarifies that the date of a drill-stem test, production test, or any other related production shall not be considered, construed, or deemed the date commercial production begins regardless of whether such activities are classified as active production by the office of conservation of the Department of Natural Resources. The date commercial production begins may be a date subsequent to the well completion date. Effective August 27, 2023, and applicable to each application for Well Status determination (Deep Well) filed with the office of conservation of the Department of Natural Resources on or after January 1, 2023. Each applicant who filed an application on or after January 1, 2023, and prior to August 27, 2023, shall be permitted to amend its application to conform with the provisions of the Act.

[Amends and reenacts R.S. 47:633(9)(d)(v)]

EXCISE TAXES

Act 297 (HB 127) exempts cigars, smoking tobacco, smokeless tobacco, vapor products, electronic cigarettes, liquors, sparkling wines, still wines, beer and malt beverages from state excise tax when the products are furnished at no charge as samples in a business-to-business exchange at or in conjunction with, conferences, conventions, expositions, trade shows, and similar events. Business-to-business exchange means a distribution by a business in a limited quantity with nominal value to another business as part of a genuine effort to sell or market the product being sampled. Nominal value means a value which is so small or slight that it is not considered real or substantial in comparison with what might reasonably be expected.

Louisiana Department of Revenue

2023 Regular Session Legislative Summaries

The Act also repeals current law exempting cigars and pipe tobacco sampled on the premises of convention facilities during the convention of the International Premium Cigar and Pipe Retailers Association from the state tobacco tax through December 31, 2025. Effective August 1, 2023 through August 1, 2033.

[Amends and reenacts R.S. 47:854(A) and (B) and 855 and enacts R.S. 26:421(F)]

Act 414 (HB 635) increases the excise tax rate on vapor products and electronic cigarettes to \$0.15 per milliliter of nicotine solution. Act 414 also requires retail dealers to purchase vapor products and electronic cigarettes from a wholesale dealer with a valid unsuspended Louisiana wholesale dealer permit and a valid stamping agent designation. A manufacturer cannot sell any vapor products, electronic cigarettes or alternative nicotine products online to any person under the age of 21 and must verify the age. The Act requires a vapor product and alternative nicotine product directory to be created and maintained by the Louisiana Office of Alcohol and Tobacco Control. Only those products on the directory can be sold in Louisiana.

Act 414 dedicates the first \$22 million of the avails of the tax on vapor and electronic cigarettes to the Louisiana State Police Salary Fund and the next \$6 million to the Department of Wildlife and Fisheries, Office of State Fire Marshal and Louisiana Public Defender Board Compensation Fund which is established in the Act. The first distribution from the Department of Wildlife and Fisheries, Office of State Fire Marshal and Louisiana Public Defender Board Compensation Fund shall be in the amount of \$600,000 to Office of Alcohol and Tobacco Control for enforcement of vapor products and electronic cigarettes. The remaining funds shall be distributed and shared equally by the Department of Wildlife and Fisheries, Office of State Fire Marshal and Louisiana Public Defender Board to cover salary increases and related benefits. Effective July 1, 2023

[Amends and reenacts R.S. 22:831(B), R.S. 26:911(B)(1)(b), and R.S. 47:841(F) and enacts R.S. 26:911(E) and 926 and R.S. 39:100.210]

MISCELLANEOUS

ACT 203 (SB 70) creates college economic development districts for Southern University and Louisiana State University in East Baton Rouge Parish to provide for cooperative economic and community development among the districts, the college, the local governmental subdivision, the state, and owners of property in the district. The districts are a political subdivision of the state. The districts shall be administered and governed by a board of commissioners. Each college economic development district and any subdistrict may be the recipient of a sales or use tax increment which consist of that portion of the designated incremental sales or use tax collected each year on the sale at retail, use, lease or rental, consumption and storage for use or consumption of tangible personal property, and on sales of services. Effective June 8, 2023.

[Enacts R.S. 33:9038.75]

Louisiana Department of Revenue 2023 Regular Session Legislative Summaries

Act 287 (SB 204) amends various aspects of the M.J. Foster program and adds residency to the items the Department of Revenue and Louisiana Workforce Commission shall include in the data provided pursuant to their Memorandum of Understanding with the Board of Regents. Effective June 12, 2023.

[Amends and reenacts R.S. 17:3047(B)(1), (C)(1)(a), (D) and (E)(1), 3047.2(A)(9), 3047.4(B) and (D)(3), 3047.6(A) and (B), and 3047.7(A)(2) and (B)(2); Enacts R.S. 17:3047.1(G) and repeals R.S. 17:3047.2(A)(12) and 3047.3(A)(9)]

CHARITABLE GAMING

Act 19 (HB 232) exempts certain bona fide conservation organizations from the licensing and reporting procedures in R.S. 4:708 through 716 for conducting raffles as a means of fundraising in a municipality or parish whose governing authority permits raffles, bingo, and keno within its limits. To qualify, the conservation organization must be recognized by the IRS as a 501(c)(3) corporation and dedicated principally to the conservation of a specific species, genus, or family of game fish, including but not limited to the conservation of saltwater and freshwater fish such as speckled trout, redfish, flounder, large-mouth bass, and crappie. Effective August 1, 2023.

[Amends and reenacts R.S. 4:707(F)(4)]

Act 89 (HB 474) requires OCG to adopt regulations to provide for a limited raffle license for single games as defined in R.S. 4:707(A)(1) with a prize value not to exceed \$10,000. Limited raffle licenses shall be exempt from the \$75 license fee, the mandatory second bank account requirement and certain reporting requirements. Effective August 1, 2023.

[Enacts R.S. 4:707.1]

Act 285 (SB 189) establishes that any license or permit issued to any location or distributor for the use of electronic bingo machines on or before June 30, 2022, is a bona fide and valid license and permit under Louisiana law. The Act also prohibits the Office of Charitable Gaming (OCG) from issuing any license or permit to any location or to any distributor for use of electronic bingo machines after June 30, 2022. However, if the physical location in which the charitable gaming organization operates electronic video bingo machines is destroyed or damaged as a result of a natural disaster, an act of God, force majeure, catastrophic event, action by a governmental body, or similar occurrence over which the licensee or permittee has no control, the OCG may allow electronic or video bingo machines to operate at the same physical location.

The Act further provides that a location or electronic video bingo machine licensed by the OCG may be sold or transferred to a new owner if the new owner is found suitable to hold a license. Additionally, in the event the OCG is authorized to issue new licenses or permits after June 30, 2022, no machine may be placed within one mile from property on the National Register of Historic Places, any public playground, any residential property, or any building used primarily as a church, synagogue, public library, or school. This prohibition does not

Louisiana Department of Revenue

2023 Regular Session Legislative Summaries

apply to a location destroyed or damaged as a result of a natural disaster, an act of God, force majeure, a catastrophe, or such other occurrence over which the organization has no control or any location licensed prior to June 30, 2022. Effective July 1, 2023.

[Amends and reenacts R.S. 4:724(J) and enacts R.S. 4:724(L), (M), and (N)]

OFFICE OF DEBT RECOVERY

Act 87 (HB 447) requires the agency referring delinquent debt to the Office of Debt Recovery (ODR) to provide the following information: (1) a description of the original obligation or offense which is the subject of the delinquent debt, (2) the amount of any fine, fee, penalty, or charges assessed against the original obligation or offense by the originating agency, (3) the amount of any fine, fee, penalty, or charges added from previous collection attempts by a third party collector and included in the debt balance placed with the ODR, (4) the total amount paid and the date of last payment made by the debtor on the delinquent debt, and (5) any additional information requested by ODR. The information should not be provided to the ODR if federal or state law prohibits disclosure. Effective January 1, 2024.

[Amends and reenacts R.S. R.S. 47:1676(C)(2)(a)]