

LA H 2, Enacted

Louisiana

SUMMARY: Reduces the rate of the corporation income tax from a graduated system of rates and brackets to a flat rate of a specified percent for taxable years between the specified dates; reduces the flat rate for specified years; establishes a deduction for bonus depreciation and amortization; repeals or terminates certain income tax credits; prohibits any depreciation claimed from duplicating any depreciation or bonus depreciation allowable;

Changes in Bill text reflected as:

~~Text Deleted~~

Text Added

~~Text Vetoed~~

Current Legislative Status

11/01/2024 PREFILED.

11/01/2024 To HOUSE Committee on WAYS AND MEANS.

11/06/2024 INTRODUCED.

11/06/2024 To HOUSE Committee on WAYS AND MEANS.

11/10/2024 From HOUSE Committee on WAYS AND MEANS: Reported favorably.

11/10/2024 Ordered Engrossed.

11/10/2024 To HOUSE Committee on APPROPRIATIONS.

11/11/2024 From HOUSE Committee on APPROPRIATIONS: Reported favorably.

11/12/2024 Ordered Engrossed.

11/12/2024 In HOUSE. Scheduled for floor debate on 11/13/2024.

11/13/2024 Amended on HOUSE floor.

11/13/2024 Ordered Reengrossed.

11/13/2024 Passed HOUSE. *****To SENATE.

11/14/2024 To SENATE Committee on REVENUE AND FISCAL AFFAIRS.

11/19/2024 From SENATE Committee on REVENUE AND FISCAL AFFAIRS: Reported with amendment.

11/19/2024 Committee amendment adopted on SENATE floor.

11/19/2024 Referred to the Legislative Bureau.

11/20/2024 Reported from the Legislative Bureau without amendments.

11/22/2024 Amended on SENATE floor.

11/22/2024 Passed SENATE. *****To HOUSE for concurrence.

11/22/2024 HOUSE concurred in SENATE amendments.

11/22/2024 Ordered Enrolled.

11/25/2024 *****To GOVERNOR.

12/04/2024 Signed by GOVERNOR.

12/06/2024 Act No. 5

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session: Louisiana 2024 Third Extraordinary Session

cite: 2024 LA H 2

Enacted

December 4, 2024

Emerson

ENROLLED

2024 Third Extraordinary Session

ACT No. 5

HOUSE BILL NO. 2

BY REPRESENTATIVE EMERSON AND SENATOR FOIL

AN ACT

To amend and reenact R.S. 47:287.12, 287.750(I), 4302(B), 6006(A), (B)(1)(introductory paragraph), (2), and (4), (D), and (E), 6007(J)(1)(b)(i) and (c) and (2)(a), 6019(A)(1)(e), 6020(H), and 6023(I) and R.S. 51:1787(L) and 2461, to enact R.S. 47:287.71(B)(9), 287.73(C)(6), 287.744, 3204(M), 6007(J)(1)(d), and 6015(M) and R.S. 51:2399.3(C), and to repeal R.S. 17:3389, Part II of Chapter 26 of Title 25 of the Louisiana Revised Statutes of 1950, comprised of R.S. 25:1226 through 1226.6, R.S. 47:12, 34, 37, 287.73(C)(4), 287.95(H), 287.748, 287.749, 287.752, 287.755, 287.758, 287.759, 301 (10)(a)(vi), Chapter 5 of Subtitle V of Title 47 of the Louisiana Revised Statutes of 1950, comprised of R.S. 47:4331, R.S. 47:6005(G), 6006(F) through (H), 6008(D), 6011, 6012, 6013(D), 6014(F), 6015(L), 6016, 6016.1(N), 6017(C), 6018, 6021, 6022(L), 6025 through 6027, 6030, 6032(H), 6035 through 6037, 6041, 6104(D), 6105(B), 6106(E), and 6107(C), Chapter 22 of Title 51 of the Louisiana Revised Statutes of 1950, comprised of R.S. 51:1801 through 1813, R.S. 51:1932, Part VI of Chapter 39 of Title 51 of the Louisiana Revised Statutes of 1950, comprised of R.S. 51:2351 through 2360, Chapter 52 of Title 51 of the Louisiana Revised Statutes of 1950, comprised of R.S. 51:3081 through 3094, Chapter 54 of Title 51 of the Louisiana Revised Statutes of 1950, comprised of R.S. 51:3111 through 3115, and Chapter 55 of Title 51 of the Louisiana Revised Statutes of 1950, comprised of R.S. 51:3121, relative to corporate taxation; to provide for a flat tax rate for purposes of calculating corporation income tax liability; to provide for the reduction of the rate; to provide for certain modifications to federal gross income; to establish a bonus depreciation deduction; to provide for definitions and certain limitations with respect to the bonus depreciation and amortization; to authorize the promulgation of rules and regulations; to provide for the termination of certain credits claimed against corporation income tax liability; to provide relative to the motion picture production tax credit; to provide relative to the research and development tax credit; to provide relative to the tax credit for rehabilitation of historic structures; to provide for credit caps; to repeal certain tax exemptions, deductions, and credits; to repeal provisions relative to determination of location of movables for purposes of determining apportioned income for certain businesses; to repeal a sales tax exclusion for certain purchases by motion picture production companies; to repeal the corporate tax apportionment program; to repeal expired requirements for certain legislative committees to review certain tax credits; to provide for applicability; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:287.12, 287.750(I), 4302(B), 6006(A), (B)(1)(introductory paragraph), (2), and (4), (D), and (E), 6007(J)(1)(b)(i) and (c) and (2)(a), 6019(A)(1)(e), 6020(H), and 6023(I) are hereby amended and reenacted and R.S. 47:287.71(B)(9), 287.73(C)(6), 287.744, 3204(M), 6007(J)(1)(d), and 6015(M) are hereby enacted to read as follows:

*****TEXT OMITTED, DOES NOT PERTAIN TO FILM*****

§ 6007. Motion picture production tax credit

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

(1) Department of Economic Development program issuance cap.

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(b)

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(i) **For tax credits granted in a final certification letter prior to July 1, 2024, if** the total amount of

credits granted to QECs in any fiscal year is less than the QEC cap, any residual amount of unused credits shall carry forward for use in subsequent years and may be granted in addition to the QEC cap for each year.

* * *

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

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

(2) Department of Revenue taxpayer claim cap.

(a) ***(i)*** Beginning July 1, 2017 , **through June 30, 2025**, claims against state income tax allowed on returns for tax credits or transfers of such tax credits, including legacy credits, to the Department of Revenue as provided for in Paragraph (C)(4) of this Section shall be limited to an aggregate total of one hundred eighty million dollars each fiscal year. ***¶ For claims allowed on returns for tax credits or transfers of such tax credits to the Department of Revenue on or before June 30, 2024, if*** less than one hundred eighty million dollars of such tax credits and transfers are allowed in a fiscal year, the remaining amount, plus any amounts remaining from previous fiscal years, shall be added to the one hundred eighty million dollar limit of subsequent fiscal years until that amount of tax credits or tax credit transfers to the Department of Revenue are claimed and allowed.

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

*****TEXT OMITTED, DOES NOT PERTAIN TO FILM*****

§ 6023. Sound recording investor tax credit

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I. No credits shall be granted pursuant to the provisions of this Section for applications received on or after ~~July 1, 2026~~ **July 1, 2025**.

*****TEXT OMITTED, DOES NOT PERTAIN TO FILM*****

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