

2021 Regular Session

SENATE BILL NO. 166

BY SENATOR SMITH

TAX/TAXATION. Provides relative to allowable taxes for the purposes of the historic rehabilitation tax credit. (8/1/21)

1 AN ACT

2 To amend and reenact R.S. 47:1524(B)(6) and 6019(A)(1)(a) and (3)(a), and to enact R.S.  
3 47:1508(B)(44) and 6019(A)(3)(b)(ii)(ee) and (B)(1)(d), relative to historic  
4 rehabilitation tax credits; to add state premium taxes to the allowable taxes against  
5 which the historic rehabilitation tax credit can be claimed; to provide for definitions;  
6 to provide relative to the tax credit registry; to provide for confidentiality of records;  
7 to provide for effectiveness; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:1524(B)(6) and 6019(A)(1)(a) and (3)(a) are hereby amended and  
10 reenacted and R.S. 47:1508(B)(44) and 6019(A)(3)(b)(ii)(ee) and (B)(1)(d) are hereby  
11 enacted to read as follows:

12 §1508. Confidentiality of tax records

13 \* \* \*

14 B. Nothing herein contained shall be construed to prevent:

15 \* \* \*

16 (44) The sharing of information with the Department of Insurance to be  
17 used solely for the purposes of administering the utilization of the tax credit for

1 the rehabilitation of historic structures as provided in R.S. 47:6019. The  
 2 secretary shall not disclose any data from returns or reports provided by the  
 3 Internal Revenue Service. Any information shared or furnished by the secretary  
 4 shall be considered and held confidential and privileged by the Department of  
 5 Insurance to the same extent provided for in Subsection A of this Section.

6 \* \* \*

7 §1524. Tax credit registry; requirements; limitations

8 \* \* \*

9 B. Definitions. For purposes of this Section, the following words shall have  
 10 the following meanings unless the context clearly indicates otherwise:

11 \* \* \*

12 (6) "Transfer" means an assignment, disposition, transfer, or allocation of tax  
 13 credits, including an allocation of a tax credit to be used against state premium  
 14 tax.

15 \* \* \*

16 §6019. Tax credit; rehabilitation of historic structures

17 A.(1)(a) There shall be a credit against income and corporation franchise tax  
 18 and state premium tax for the amount of eligible costs and expenses incurred  
 19 during the rehabilitation of a historic structure located in a downtown development  
 20 or a cultural district. The amount of the credit shall equal twenty-five percent of the  
 21 eligible costs and expenses of the rehabilitation incurred prior to January 1, 2018,  
 22 regardless of the year in which the property is placed in service. The amount of the  
 23 credit shall equal twenty percent of the eligible costs and expenses of the  
 24 rehabilitation incurred on or after January 1, 2018, and before January 1, 2026,  
 25 regardless of the year in which the property is placed in service. No credit is  
 26 authorized pursuant to this Section for expenses incurred on or after January 1, 2026.

27 \* \* \*

28 (3)(a) The credit shall be allowed against the income tax and state premium  
 29 tax for the taxable period in which the credit is earned and against the franchise tax

1 for the taxable period following the taxable period in which the credit is earned. If  
2 the tax credit allowed pursuant to this Section exceeds the amount of such taxes due,  
3 any unused credit may be carried forward as a credit against subsequent tax liability  
4 for a period not to exceed five years. This credit may be used in addition to the  
5 twenty percent federal tax credit for such purposes.

6 (b)

7 \* \* \*

8 (ii)

9 \* \* \*

10 **(ee) Taxpayers claiming the credit against state premium tax shall claim**  
11 **the credit on the applicable state premium tax return.**

12 \* \* \*

13 B.(1) For purposes of this Section, the following words and phrases shall  
14 have the meanings ascribed to them in this Subsection:

15 \* \* \*

16 **(d) "State premium tax" shall mean any liability incurred by an entity**  
17 **under the provisions of R.S. 22:831, 836, 838, and 842 except for liability**  
18 **incurred under R.S. 22:842(C).**

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

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DIGEST

SB 166 Original                      2021 Regular Session                      Smith

Present law authorizes a credit against income and corporation franchise tax for the amount of eligible costs and expenses incurred during the rehabilitation of a historic structure located in a downtown development or a cultural district.

Proposed law adds the state premium tax to the allowable taxes against which the historic rehabilitation tax credit can be claimed and otherwise retains present law.

Proposed law defines "state premium tax" as any liability incurred by an entity under the provisions of present law relative to property and casualty insurance, retaliatory taxes on insurers, taxes on admitted insurers, or life, accident, health or service insurance, except for liability incurred by Medicaid-enrolled managed care organizations.

Proposed law requires taxpayers using the credit against state premium tax to claim the

credit on the applicable state premium tax return.

Present law (R.S. 47:1524) provides for a registry of all transferable tax credits.

Proposed law adds credits used against premium tax to the list of transfers for purposes of the registry.

Present law (R.S. 47:1508) requires the confidentiality of tax records and provides for exceptions.

Proposed law authorizes the secretary of the Dept. of Revenue to share information with the Dept. of Insurance for purposes of administering the utilization of the historic rehabilitation tax credit.

Effective August 1, 2021.

(Amends R.S. 47:1524(B)(6) and 6019(A)(1)(a) and (3)(a); adds R.S. 47:1508(B)(44) and 6019(A)(3)(b)(ii)(ee) and (B)(1)(d))