

2016 Second Extraordinary Session

SENATE BILL NO. 8

BY SENATOR MORRELL

TAX/TAXATION. Provides for the operability of the tax credit for Citizens Property Insurance Corporation 2005 assessment. (gov sig) (Item Nos. 46 and 47)

1 AN ACT

2 To amend and reenact R.S. 47:6025(A)(1) and to repeal R.S. 47:6025(A)(1) as amended by
3 Section 5 of Act No. 125 of the 2015 Regular Session of the Legislature, relative to
4 the tax credit for Louisiana Citizens Property Insurance Corporation assessment; to
5 reduce the amount of the credit; to repeal the sunset of the reduction in the amount
6 of the credit; to provide for effectiveness; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:6025(A)(1) is hereby amended and reenacted to read as follows:

9 §6025. Tax credit for Louisiana Citizens Property Insurance Corporation assessment

10 A.(1) There shall be allowed a credit against Louisiana income tax due in a
11 taxable year for ~~seventy-two~~ zero percent of the amount of surcharges, market
12 equalization charges, or assessments paid by a taxpayer during the taxable year as
13 a result of the 2005 regular assessment or the emergency assessments levied due to
14 ~~Hurricanes~~ hurricanes Katrina and Rita by Louisiana Citizens Property Insurance
15 Corporation for the FAIR Plan and Coastal Plan, as they are defined in R.S. 22:2292.

16 * * *

17 Section 2. Notwithstanding the provisions of Section 8 of Act No. 125 of the 2015

1 Regular Session of the Legislature, R.S. 47:6025(A)(1) as amended by Section 5 of that Act
2 is repealed in its entirety.

3 Section 3. The provisions of this Act shall be applicable to all taxable periods
4 beginning on or after January 1, 2016.

5 Section 4. This Act shall become effective upon signature by the governor or, if not
6 signed by the governor, upon expiration of the time for bills to become law without signature
7 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
8 vetoed by the governor and subsequently approved by the legislature, this Act shall become
9 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Leonore F. Heavey.

DIGEST

SB 8 Reengrossed

2016 Second Extraordinary Session

Morrell

Present law provides an income tax credit against La. income tax for the surcharges, market equalization charges, or assessments paid by a taxpayer for the La. Citizens Property Insurance Corporation assessments due to hurricanes Katrina and Rita. The amount of the tax credit is equal to 72% of the amount of the surcharges, market equalization charges, or assessments paid.

Present law relative to the amount of the credit sunsets on June 30, 2018. Further reinstates the full credit amount of 100% of the amount of the surcharges, market equalization charges, or assessments paid beginning July 1, 2018.

Proposed law reduces the amount of the credit from 72% to 0% of the amount of the surcharges, market equalization charges, or assessments paid. Further repeals the sunset of the reduction, thereby making the reduction permanent.

Proposed law provides that the provisions of proposed law shall be applicable to all taxable periods beginning on or after January 1, 2016.

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

(Amends R.S. 47:6025(A)(1); repeals R.S. 47:6025(A)(1) as amended by Acts 2015, No. 125, § 5)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Reduces the tax credit from 72% to 25% of the amount of the surcharges, market equalization charges, or assessments paid.
2. Provides for the period of applicability of the tax credit.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the engrossed bill

1. Further reduces the tax credit from 25% to 0%.