

LOUISIANA

DEPARTMENT *of* REVENUE

2013 Regular Legislative Session Summary

Policy Services Division

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Administrative

[Act 176](#) [R.S. 9:2621] Allows agencies that offer online applications for licenses or permits to accept online certification in lieu of sworn statements. Effective June 7, 2013.

[Act 184](#) [R.S. 3:3712] abolishes the Louisiana Bio-Fuel Panel and transfers its functions to the commissioner of agriculture and forestry. Effective August 1, 2013.

[Act 191](#) [R.S. 47:1517.1] Requires each state agency that administers tax credits and rebates to submit a report annually to the legislature. The report shall provide an assessment of each tax incentive. The report is due on the first day of March of each year. The Department of Revenue shall provide the form to be used by all agencies. Effective August 1, 2013.

[Act 265](#) [R.S. 47: 6016.1] creates the New Markets Jobs Act which provides for a tax credit against the insurance premium tax. Applicants must apply to the Department of Revenue for certification of a qualified equity investment on a form prescribed by the secretary. There is a fifty five million dollar investment cap on the program to be issued on a first-come, first-served basis. Effective August 1, 2013.

[Act 315](#) Requires government issued identification for cashing state tax refund checks over \$1,000. Requires institutions cashing the checks to maintain detailed records of such transactions. Effective November 1, 2013.

[Act 370](#) [R.S. 40:4.9] expands the Sanitary Code exemption for of jellies, preserves, jams, honey, and honeycomb products which are made at home for sale to certain preparers of cakes and cookies prepared at home for sale. Removes the provision that required the Department of Revenue to provide the Department of Health and Hospitals with information regarding preparers of jellies, preserves, jams, honey, and honeycomb products which are made at home for sale, with sales of \$5,000 or more. Effective August 1, 2013.

[Act 387](#) [R.S. 51:935.1] amends provisions of the unified economic development budget report. Requires that the report be issued annually and that every program administered by the Department of Economic Development be reviewed at least once every four years. Requires the Department of Revenue and the Workforce Commission to submit data to the Department of Economic Development upon request for preparation of the unified economic development budget report. Effective August 1, 2013.

[Act 394](#) [R.S. R.S. 30:2454(32), 2483(E), 2484-2487] reduces the amount of oil spill contingency fee to 1/4 of one cent per barrel (1/2 of one cent when the fund balance is below five million dollars until the fund balance reaches seven million dollars). Changes the payor of the fee from the owner of the crude oil when the oil is transferred at a marine terminal to the owner of the oil immediately prior to transfer to a refinery or storage facility. Removes the limitation on expenditures from Oil Spill Contingency Fund. Additionally the Act requires the Oil Spill Contingency Council to study the fee structure and recommend a fee mechanism and structure that fairly balances oil spill risks and potential oil spill implications with fee payments, no later than January 31, 2014. Changes to the current fee are effective July 1, 2014.

[Act 399](#) creates the Office of Debt Recovery within the Louisiana Department of Revenue. It will be responsible for collection of a tax and delinquent debts of other state agencies. State agencies will refer debt to the Office of Debt Recovery or the Attorney General's Office as provided by statute. The department may treat the delinquent debt as an assessment that has become final and may use state remedies provided by state law to facilitate the collection of taxes to collect the delinquent debt. Effective June 17, 2013.

[Act 421](#) authorizes the Department of Revenue to institute an amnesty program for each of 2013, 2014 and 2015. This year's amnesty program begins on September 23 2013, and ends November 22, 2013. All taxes and

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periods are eligible for amnesty except for Motor Fuel Taxes, Prepaid 411 Sales Tax, NOEH, Hotel/Motel, Oil Field Restoration-oil, Oil Field Restoration-gas, Inspection and Supervision Fee and penalties for failure to submit information reports that are not based on an underpayment of tax. If the Taxpayer pays all of the tax and costs, if applicable, and half of the outstanding interest balance due, the remaining half of the interest and all of the penalties associated with the tax periods for which amnesty is applied will be waived. Taxpayers who are involved in audits, litigation, or bankruptcy or who have installment agreements are eligible to participate. Taxpayers who are a party to any criminal investigation or criminal litigation are not eligible for amnesty. Taxpayers are not eligible for both Amnesty and a Voluntary Disclosure Agreement for the same tax type and same tax period. Taxpayers who deliver or disclose any false or fraudulent application, document, return, or other statement to the department in connection with an amnesty application shall be ineligible for amnesty and shall be subject to the fraud penalty under R.S. 47:1604, which provides a penalty of 50 percent of the additional tax due, or a penalty of \$10,000, whichever is greater. Effective August 1, 2013.

[Act 435](#) provides for a proposed amendment to the State Constitution to require tax rebates, tax incentives and tax abatements to only be considered during fiscal sessions or odd number years. The proposed amendment shall be submitted for a vote of the people on November 4, 2014. Effective 20 days after the Governor certifies election results if approved by the voters.

[SR 96](#) requests the commissioner of agriculture to create the Louisiana Wine Agribusiness Task Force within the Department of Agriculture and Forestry, to examine the growing wine making market and business in the state. The Secretary of Revenue, or his designee, is required to be a member of this task force. The task force findings are to be reported to House and Senate Agricultural committees no later than March 1 each year.

Alcohol and Tobacco Control

[Act 221](#) amends and reenacts several statutes in Titles 13, 26 and 47 of the Louisiana Revised Statutes. The new requirements are the result of a recent settlement entered into between the State of Louisiana and certain tobacco product manufacturers. As a result, the State of Louisiana has agreed to enhance past tobacco enforcement practices. The Act requires the Attorney General, Department of Revenue, and Office of Alcohol and Tobacco Control to designate employees who shall oversee the administration and enforcement of the laws and regulations regarding the Master Settlement Agreement (“MSA”) and who shall meet monthly to establish and monitor practices to promote ongoing compliance under the MSA. Effective August 1, 2013.

[Act 252](#) [R.S. 26:80(A) (11), (B), and (C) (2)] amends provisions of the state and local permitting requirements for qualification of obtain high alcohol beverage permits. Provides that a "spouse" includes persons who are considered married outside of the United States, persons who ordinarily hold themselves out as husband and wife, or persons who file their state and federal income tax returns as either "married filing jointly" or "married filing separate". Effective June 12, 2013.

[Act 430](#) [R.S. 15:541.1(A)(3), (B), (C)(1), (D), and 26:96(A)] provides that the Department of Revenue and the Office of Alcohol and Tobacco Control will provide certain establishments information regarding the National Human Trafficking Resource Center hotline. Failure to post such information will result in a fine being assessed. Effective August 1, 2013.

Corporation Income and Franchise Taxes

[Act 141](#) [R.S. 51:1783(10) and (12)] amends definitions provided for in the Louisiana Enterprise Zone Act. The definition of “multifamily residential housing” was changed to increase the number of attached dwellings from two hundred to three hundred attached dwelling units. The definition of “transit-oriented development” was

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changed to increase the square footage for commercial or retail facilities from fifteen thousand to twenty thousand. Effective August 1, 2013.

[Act 178](#) [R.S. 47:6007] amends the Motion Picture tax credit program to require a production audit report and to provide a definition of a production audit report. Changes the recipient of the credit transfer fee from Louisiana Economic Development to the Louisiana Department of Revenue and shortens the time for reporting credit transfers from thirty days to ten days. Effective August 1, 2013.

[Act 197](#) [R.S. 47:6034] amends several provisions of the Musical and Theatrical Production Income tax credit program including repealing a portion of the program that provides for the credit for qualified transportation cost for performance-related property and credits for projects for nonprofit community theaters. The credit program was extended from December 31, 2013 to December 31, 2022. Additionally, the definition of infrastructure projects certified after July 1, 2013 was changes to a “new or rehabilitated proscenium or black box theatre infrastructure project located in Louisiana and any expenditure in the state directly related to the constructions, repair or renovation of such project”. Effective July 1, 2013.

[Act 219](#) [R.S. 47:6035(C)] provides that nothing in the current law is to be construed to authorize a tax credit for the cost of a purchase of, or conversion of a vehicle to, a flexible fuel vehicle that is designed to run on an alternative fuel and either petroleum gasoline or petroleum diesel if the vehicle has only a single fuel storage and delivery system and retains the capability to be propelled by petroleum gasoline or petroleum diesel. Effective June 10, 2013.

[Act 257](#) [R.S. 47:6015] amends the Research and Development tax credit program mainly to require business with less than 50 employees to submit a report by a certified public accountant relative to the business’s qualified research expenses. The act also provides a new eligibility requirement for business primarily engaged in professional services and custom manufacturing and fabrication if the business has a U.S. patent issued or pending which is directly related to research expenditures for which the credit is sought. Effective on July 1, 2013 for tax years beginning January 1, 2013.

[Act 263](#) [R.S. 47:6019] extends the tax credit program for historic structures from January 1, 2016 to 2018 and changed the total five million dollar limit on the credit claimed by a taxpayer to an annual five million dollar limit to be claimed by the taxpayer. Effective June 13, 2013.

[Act 304](#) [R.S. 47:6026(E)(1)] extends the Cane River Heritage Tax Credit to January 1, 2018. It was set to expire January 1, 2014. Effective August 1, 2013.

[Act 341](#) [R.S. 47:246(E) and 287.86(B)(1)] authorizes a five year net operating loss carryback for corporations, if the loss is attributable to Hurricane Isaac. The Act only becomes effective if the federal government grants a similar benefit to taxpayers under federal income tax law. Effective for taxable periods beginning August 1, 2011, and thereafter.

[Act 385](#) [R.S. 6023(C) (1)] extends the Sound Recording Investor Tax Credit program which was set to sunset January 1, 2015. The credit program was extended to January 1, 2020. Additionally, for state –certified productions certified on and after July 1, 2007 and state-certified infrastructure projects which have applied on or before August 1, 2009 the investment minimum is reduced to five thousand dollars for Louisiana residents. Effective August 1, 2013.

[Act 406](#) amends the School Readiness tax credit provisions to provide for a state administrator of the Child Care Development Fund. The program will no longer be administered by the Department of Children and Family Services. Effective July 1, 2013.

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Act 418 [R.S. 47:1574] provides for a centralized registration and recordation system for transferable tax credits otherwise known as the Louisiana Tax Credit Registry Act. Beginning January 1, 2014, all state agencies issuing tax credits to be applied against tax collected by the department shall send a copy of the tax credit certificate to the department. The department will assign an identification number to each certification. Notices of transfer of credits must also be sent to the department for recordation in the registry. If credits sold after January 1, 2014 is not recorded in the registry, the will sale will not be effective against third parties or recognized by the department. Effective June 21, 2013.

Act 423 [R.S. 51:1787 and 1791] amends the employee requirements relative to the Enterprise Zone program. Part times jobs are no longer eligible under the program. The percentage of employees required to meet statutory requires was increased from 35% to 50%. Additional limitations were added for retail businesses. Effective June 21, 2013.

Act 427 [R.S. 47:6035(B) (1)] changes the definition of “alternative fuel” to “natural gas, liquefied petroleum gas, and any nonethanol based advanced biofuel. “Alternative fuel” may also mean electricity, if the vehicle meets all of the following criteria: (1) the vehicle has at least four wheels; (2) the vehicle is manufactured primarily for use on public streets, roads, and highways and is able to attain a maximum speed of at least 55 miles per hour; and (3) the vehicle is propelled by an electric motor which draws electricity from a battery which has a capacity of not less than four kilowatt hours and is capable of being recharged from an external source of electricity. Effective for taxable periods beginning on or after January 1, 2014.

Act 428 [R.S. 47:6030] repeals the tax credit for wind energy systems and changes the tax credit to provide for solar electric and solar thermal energy systems. Repeals the tax credit for installations in a residential rental apartment complex. Provides for a total phase-out of the credit on January 1, 2018 and amends the amount of the tax credit for leased systems, as follows:

- (a) The tax credit shall be equal to fifty percent of the first twenty-five thousand dollars of the cost of purchase for a system installed before January 1, 2014
- (b) For a system installed on or after January 1, 2014 and before January 1, 2018, the tax credit shall be equal to thirty-eight percent of the first twenty-five thousand dollars of the cost of purchase.

Provides further limitations on the credit as follows:

- (a) For a system purchased and installed on or after July 1, 2013, and before July 1, 2014, the system shall cost no more than four dollars and fifty cents per watt and provide for no more than six kilowatts of energy.
- (b) For a system purchased and installed on (b) or after July 1, 2014, and before July 1, 2015, the system shall cost no more than three dollars and fifty cents per watt and provide for no more than six kilowatts of energy.
- (c) For a system purchased and installed on (c) or after July 1, 2015, and before January 1, 2018, the system shall cost no more than two dollars per watt and provide for no more than six kilowatts of energy.

In addition, provides that systems must be sold and installed by a person who is licensed by the Louisiana State Licensing Board for Contractors and any system components purchased on or after July 1, 2013 must be compliant with the requirements of the federal American Recovery and Reinvestment Act (ARRA). Any non-ARRA compliant components purchased before July 1, 2013 must be placed in service prior to January 1, 2014 to be eligible for the credit. Finally, provides that with respect to each residence, only one tax credit for the purchase and installation of a system shall be allowed. Effective July 1, 2013.

Act 431 [R.S. 47: 6036] amends the Ports Investor and Import-Export Cargo Credit. Capital Cost eligible for the credit must be paid after July 1, 2013. Additionally, the cost of a qualifying project was reduced from five million to 1.5 million. The definition of “port or port and port harbor activity was expanded and an annual cap of 6.25 million for the Investor and the Import-Export Cargo Credit was also added along with other limitations. Effective July 1, 2013.

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Individual Income Tax

[Act 57](#) [R.S. 47:120.181*] creates a new checkoff for donation of refunds for the Louisiana Coalition Against Domestic Violence, Inc. Effective August 1, 2013 for tax years beginning on and after January 1, 2013.

[Act 89](#) [R.S. 47:120.63] changes the Louisiana Prostate Cancer Checkoff Donation to the Louisiana Cancer Checkoff Donation. August 1, 2013 for tax years beginning on and after January 1, 2013.

[Act 167](#) [R.S. 47:299.2(1)(d)] allows New Orleans and Orleans Parish to make offset claims to the secretary of the Department of Revenue against any amounts refundable to an individual because of overpayment of Louisiana individual income taxes for debts owed by the individual to either New Orleans or Orleans Parish. August 1, 2013 for tax years beginning on and after January 1, 2013.

[Act 194](#) [R.S. 47:120.181* and 120.191*] provides for an individual income tax return checkoff for decorative lighting on the Crescent City Connection. The Act also provides for an individual income tax return checkoff for New Orleans ferries. Effective for taxable periods beginning on or after January 1, 2013.

[Act 219](#) [R.S. 47:6035(C)] provides that nothing in the current law is to be construed to authorize a tax credit for the cost of a purchase of, or conversion of a vehicle to, a flexible fuel vehicle that is designed to run on an alternative fuel and either petroleum gasoline or petroleum diesel if the vehicle has only a single fuel storage and delivery system and retains the capability to be propelled by petroleum gasoline or petroleum diesel. Effective June 10, 2013.

[Act 272](#) [R.S. 47:297.6(C)] changes the sunset date for the residential structure rehabilitation credit to January 1, 2018.

[Act 304](#) [R.S. 47:6026(E) (1)] extends the Cane River Heritage Tax Credit to January 1, 2018. It was set to expire January 1, 2014.

[Act 392](#) [R.S. 47:120.181* and 120.191*] provides for an individual income tax return checkoff for the Louisiana National Guard Honor Guard for military funerals. The Act also provides for an individual income tax return checkoff for the Bastion Community of Resilience. Effective for taxable periods beginning on or after January 1, 2013.

[Act 406](#) amends the School Readiness tax credit provisions to provide for a state administrator of the Child Care Development Fund. The program will no longer be administered by the Department of Children and Family Services. Effective July 1, 2013.

[Act 427](#) [See Act 427 summary under Corporation Income and Franchise Taxes]

[Act 428](#) [See Act 428 summary under Corporation Income and Franchise Taxes]

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Sales Tax

Act 93 [R.S. 47:13] provides that direct pay, sale for resale and manufacturing machinery and equipment sales tax exemption certificates will be renewed automatically unless the Department of Revenue determines by reviewing its records that the taxpayer no longer qualifies for the exemption or has not met its filing and payment obligations. If there is insufficient information in the Department's records to allow for the automatic renewal the taxpayer will be contacted and can reapply for the exemption. Additionally, if the taxpayer no longer qualifies for these exemptions the Department can suspend the certificate even if the 3-year exemption certificate period has not yet expired. Effective January 1, 2014.

Act 141 [R.S. 51:1783(10) and (12)] amends definitions provided for in the Louisiana Enterprise Zone Act. The definition of "multifamily residential housing" was changed to increase the number of attached dwellings from two hundred to three hundred attached dwelling units. The definition of "transit-oriented development" was changed to increase the square footage for commercial or retail facilities from fifteen thousand to twenty thousand. Effective August 1, 2013.

Act 157 [R.S. 47:305.14(C)] for purposes of the existing state and local sales and use tax exemption for sales occurring at events sponsored by nonprofit organizations, requires the exemption certificate be obtained annually from the secretary of the Department of Revenue. Further provides that the Department of Revenue may review such events held pursuant to the authority granted by the exemption certificate to ensure compliance. Effective August 1, 2013.

Act 158 [R.S. 32:1252(1), R.S. 47:301(17) and R.S. 47:337.15(E)] amends the definition of "all-terrain vehicle" and further provides that for purposes of issuance of an off road decal for any off-road or all-terrain vehicle purchased on or before Dec. 31, 2013, the vehicle commissioner is authorized to provide a decal to a taxpayer who provides proof of payment of sales and use tax and a certificate of origin. Effective June 7, 2013.

Act 271 [R.S. 47:305(D)(2)(a)] expands the exemption for patients and staff of hospitals to provide an exemption for the sale of meals furnished to staff and residents of nursing homes, adult residential care providers, and continuing care retirement communities. Effective June 13, 2013, however the provisions of the Act are retroactive.

Act 300 [R.S. 47:301.1(F) and 305.71] creates a state sales tax exemption for construction materials purchased by the "St. Bernard Project, Inc." for use in rehabilitating existing residential dwellings or constructing new residential dwellings in the state. Further, provides for a one million annual dedication to Telecommunications Fund for the Deaf from the sales tax collected on telecommunications services. Effective July 1, 2013.

Act 305 [R.S. 47: 301(10) (e)] Changes the requirement that the Department of Agriculture and Forestry develop and promulgate guidelines regarding the definition of "raw agricultural commodities ... to be utilized in preparing, finishing, manufacturing, or producing crops or animals for market" from a mandatory requirement to a permissive one. Effective August 1, 2013.

Act 396 [R.S. 47:301(16) (b) (ii)] removes the dollar value threshold for the sales and use tax exclusion for gold, silver, numismatic coins, or platinum, gold, or silver bullion. Effective August 1, 2013.

Act 425 [R.S. 47: 302(U), 306(A) (3) and 318(A)] reduces the vendor's compensation from 1.1% to 0.935%. This Act also enacts R.S. 47:302(U), which authorizes the Secretary to employ means available to collect all taxes which may be due upon the sale by a remote seller of tangible personal property or services in Louisiana. R.S. 47:318(A) has been amended to change monies paid into the Marketing Fund and the Louisiana Economic Development fund to 4/10% of the amounts collected under Chapter 2, 2-A and 2-B and R.S. 51:1286 instead of

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a percentage of vendor's compensation. Effective July 1, 2013 and applicable to taxable transactions occurring on and after such date.

Severance Tax

[Act 185](#) [R.S. 47:633(1), (2) and (3)] allows the Forestry Commission with permissive assistance from the Louisiana Tax Commission to determine the market value of trees, timber and pulpwood in December. The determined values are effective on the first day of January the following year and continue until the next succeeding January. In determining the value of the trees, timber and pulpwood, the Forestry Commission shall consider the timber sales as reported to the department and as published in the "Quarterly Report of Forest Products" by the La. Department of Agriculture. Effective August 1, 2013.

Local Tax

[Act 122](#) amends and reenacts R.S. 33:130.166(B) (2) relative to the Grant Parish Economic and Industrial Development District and provides that food and drugs are specifically exempted from the tax under R.S. 47:305 as it pertains to tax levied for the funding of the district. Effective August 1, 2013.

[Act 123](#) enacts R.S. 33:130.153(1) relative to the Grant Economic Development District to provide for the levy and collection of a sales & use tax within the district boundaries not to exceed 2%, if approved by a majority of the voters in the district. Effective June 5, 2013.

[Act 131](#) amends and reenacts R.S. 47:302.21(B) to provide that monies appropriated out of the Ascension Parish Visitor Enterprise Fund shall be distributed to and used by the parish governing authority of Ascension Parish and the governing authorities of each incorporated municipalities within Ascension Parish. Effective July 1, 2013.

[Act 172](#) amends and reenacts R.S. 47:301(4) (g) (i) (bb) and 47:337.10(F) relative to East Feliciana Parish to exclude from sales of services repaired property delivered to a common carrier or to the U.S. Post Office for delivery outside the state or delivered outside the state by use of the repair dealer's own vehicle or by use of an independent trucker. Effective July 1, 2013.

[Act 215](#) enacts R.S. 26:599 relative to local option elections in municipalities having a population of not less than 13,500 and not more than 16,500 in the latest federal decennial census may submit to the voters a proposition to determine whether or not alcoholic beverages may be sold in restaurants within the municipality. Effective June 10, 2013.

[Act 218](#) enacts R.S. 47:338.183.1 relative to sales and use taxes to authorize the levy of an additional sales & use tax not to exceed one half of 1% in parishes governed by a home rule charter and having a population between 115,000 and 125,000 in the latest federal decennial census, if approved by a majority of voters within that territorial jurisdiction of that parish. It also enacts R.S. 47:338.196 relative to sales & use tax to authorize a school board of any parish with a population between 22,400 and 22,800 in the latest federal decennial census to levy and collect an additional sales & use tax not to exceed 1% within the territorial limits of the parish, if approved by a majority of the voters. Effective August 1, 2013.

[Act 243](#) amends and reenacts R.S. 33:4574.1(A) (11) relative to the Grant Parish Tourist Commission to provide that the commission may levy an additional tax, not to exceed 6%; if approved by majority of voters in Grant Parish. Effective June 12, 2013.

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[Act 245](#) enacts R.S. 47:338.64.1 relative to Iberville Parish which allows the governing authority to levy and collect an additional sales & use tax not in excess of 1% upon the sale at retail, use, lease, consumption, storage of tangible personal property and the sales of services in Iberville Parish, if approved by a majority of the voters in that parish. Effective August 1, 2013.

[Act 246](#) enacts R.S. 47:338.211 relative to the City of Youngsville to allow the city to levy and collect a tax upon the occupancy of hotel rooms within the city not to exceed 4%, if approved by a majority of the voters in the city. Effective August 1, 2013.

[Act 267](#) enacts R.S. 47:19.1 relative to political subdivisions to provide for procedures for the levy, increase, renewal or continuation of a tax or for calling an election for such purposes by a political subdivision. Effective August 1, 2013.

[Act 410](#) enacts R.S. 21:201 through 21:208 relative to hotels and lodgings to provide for the facilitation of private sector originated supplementary funds to market and promote the greater New Orleans as a traveler destination and to provide for increased economic activity within its traveler economy. Effective June 20, 2013.