



LOUISIANA LEGISLATURE REACHES BUDGET DEAL AND ENACTS TAX AMNESTY BILL

The 2013 Louisiana Legislative Session came to an end on Thursday with the passage of a new operating budget for the 2013-2014 Fiscal Year, representing a long awaited compromise on tax incentives and state fiscal policy. While the budget initially called for an across the board cut for all state tax incentive programs and later a three-year suspension of certain programs, the final compromise reflects changes to the Enterprise Zone Program, a reduction in Vendors' Compensation, and a phase out of the Solar Energy Tax Credit.

Tax Amnesty

In addition to the tax incentive changes, the Louisiana Legislature enacted the "Louisiana Tax Delinquency Amnesty Act of 2013," marking the state's third amnesty program since 2001. [House Bill 456](#), as enrolled, will offer a two month amnesty period before December 31, 2013. An earlier version of the bill had called for a twenty four month amnesty program, but the final version passed by the Legislature is for two months and offers taxpayers applying for amnesty a 50 percent reduction of interest and a waiver of the full amount of penalties. The 2013 Amnesty will apply to all taxes administered by the Department of Revenue, with the exception of motor fuel taxes and penalties for failure to submit information reports. Taxes due prior to January 1, 2013, and for tax periods that began prior to January 1, 2013, are eligible for the amnesty program.

Two additional one-month amnesty programs will be conducted in 2014 and 2015; however, those programs only waive 15 percent of the penalty in 2014 and 10 percent of the penalty in 2015. The requirement in the earlier version of the bill to impose double the penalties for any taxpayer eligible for but not taking advantage of the amnesty program was removed from the final, enrolled version.

The Jones Walker SALT Group will be diligently planning to assist qualified taxpayers interested in taking advantage of the tax amnesty programs.

Enterprise Zone Changes

The Louisiana Legislature also tightened up the provisions for the Enterprise Zone Program with [House Bill 571](#) by Rep. Joel Robideaux. The changes include removing eligibility for part-time jobs, excluding retail businesses with more than 100 employees nationally from participating in the program, unless the retailer is a grocery store or pharmacy, and increasing the percentage of employees that must meet program requirements from 35 percent to 50 percent.

Reduced Dealers' Compensation

The Louisiana Legislature has also approved a reduction in the amount dealers can retain for the collection of Louisiana sales tax. [House Bill 653](#), also by Rep. Joel Robideaux, reduces the dealers' compensation from 1.1 percent to 0.935 percent of the amount of tax due. The bill also authorizes and directs the Secretary of Revenue to employ all means available to collect the Consumer Use Tax on all sales of tangible personal property by remote sellers. While legislation



was introduced to move Louisiana towards centralized collection of the sales and use tax due on sales by remote sellers, those bills did not make it through the legislative process. For now it seems Louisiana will continue monitoring the Marketplace Fairness Act working its way through the United States Congress.

Solar Tax Credit Program Phase Out

On Tuesday, the Legislature approved [House Bill 705](#) which calls for a phase out of the state income tax credit for solar energy systems by 2018. Additional changes to the credit include requiring any systems installed for which a tax credit is being claimed to meet the requirements of the American Recovery and Reinvestment Act ("ARRA") and contain parts made in the United States. Retailers with non-ARRA compliant parts have until the end of this year to install those parts in solar energy systems in Louisiana.

House Bill 705, as sent to the governor, will continue to allow homeowners to lease solar energy systems from a third party vendor and have the third party vendor qualify for the tax credit. The installation of a leased system before January 1, 2014, will still qualify for a tax credit equal to 50 percent of the first \$25,000 in costs; however, installations of leased systems after January 1, 2014, will only receive 38 percent of the first \$25,000 in costs.

The Department of Revenue has a "New" Secretary

Also of note, Tim Barfield has been confirmed as Secretary of the Louisiana Department of Revenue by the Louisiana Senate. Barfield had been "Executive Counsel" since being appointed by Governor Jindal in October 2012.

— [Kimberly L. Robinson](#) and [Justin B. Stone](#)



Remember that these legal principles may change and vary widely in their application to specific factual circumstances. You should consult with counsel about your individual circumstances. For further information regarding these issues, contact:

William M. Backstrom, Jr.

Jones Walker LLP
201 St. Charles Avenue
New Orleans, LA 70170-5100
504.582.8228 *tel*
504.589.8228 *fax*
bbackstrom@joneswalker.com

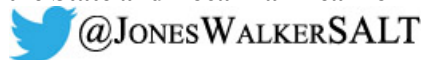
Tax & Estates Attorneys

Jesse R. Adams, III
William M. Backstrom, Jr.
Jason W. Bailey
Brandon Kelly Black
John C. Blackman, IV
Robert E. Box, Jr.
Timothy P. Brechtel
Andre B. Burvant
Melissa A. Campbell
Ricardo X. Carlo
Robert R. Casey
Susan K. Chambers
Megan M. Curran

William E. Dossett
David F. Edwards
John F. Fletcher
Janice Martin Foster
Kathryn Scioneaux Friel
John W. Gant, Jr.
Leon Gary, Jr.
Genevieve M. Hartel
Miriam Wogan Henry
Frederick T. Hoff, Jr.
Margarett A. Johnson
Jonathan R. Katz
Linda Bounds Keng

Matthew A. Mantle
B. Michael Mauldin
Louis S. Nunes, III
Pamela Prather
Rudolph R. Ramelli
Coleman Douglas Ridley, Jr.
Kimberly Lewis Robinson
Kelly C. Simoneaux
Hope M. Spencer
Justin B. Stone
Alex P. Trostorff
Edward Dirk Wegmann
B. Trevor Wilson

Follow the State and Local Tax Team on Twitter:



This message and any attachment hereto is subject to the privilege afforded Attorney Work Products and Attorney-Client communications.

IRS Circular 230 Disclaimer: Under applicable Treasury regulations, any tax advice provided in this message (or any attachment hereto) is not intended or written to be used, and cannot be used, for the purpose of avoiding any penalties that may be imposed by the Internal Revenue Service. If you would like an opinion upon which you can rely to avoid penalties, please contact the sender to discuss.

This newsletter should not be construed as legal advice or a legal opinion on any specific facts or circumstances. The contents are intended for general informational purposes only, and you are urged to consult your own attorney concerning your own situation and any specific legal questions you may have.

To subscribe to other E*Bulletins, visit <http://www.joneswalker.com/ecomunications.html>.