



What's on the Menu? – Prefiled Tax Bills for the 2015 Louisiana Legislative Session

There are a lot of cooks in the kitchen this year working on Louisiana tax legislation!

The [Louisiana Legislature](#) convened the [2015 Regular Session](#) at noon on Monday, April 13th. This is a fiscal session, meaning legislation dealing with taxes, exemptions, credits and deductions will be considered.

Having reviewed the 290 bills that have been prefiled and referred to the tax committees (that's [House Ways and Means](#) and [Senate Revenue and Fiscal Affairs](#)), I can tell you ***the legislators are cooking with a lot of SALT!*** Fear not; your [JW SALT Team](#) is here to keep you informed on what the Louisiana Legislature is serving up.

The prefiled legislation addresses all the different taxes levied and collected in Louisiana, with special emphasis on several hot topics (and a few reheated dishes from prior sessions).

The **hot topics** for the 2015 Regular Session include the following:

- **Tax credits of every variety**
 - Ad valorem taxes paid on inventory - [HB 230](#) and [SB 126](#) repeal the credit, [HB 484](#) and [HB 89](#) reduce the credit
 - Motion picture investor - [HB 213](#) and [HB 548](#) impose a cap on the credit
 - Historic rehabilitation - [HB 387](#) and [SB 189](#) extend the sunset date on the credit
 - Angel investor - [HB 244](#) extends the sunset date on the credit and [HB 541](#) reestablishes the credit
- **Deduction for net operating losses**
 - [HB 383](#), [HB 395](#), and [HB 423](#) remove the carryback provisions
 - [HCR 7](#) suspends the net operating loss deduction
 - [SB 180](#) makes the net operating loss nonrefundable, removes the carryback, and allows for a 20 year carry forward
- **Conversion of refundable tax credits to nonrefundable**
 - [SB 91](#) converts refundable tax credits to nonrefundable
 - [HB 532](#) converts the refundable inventory tax credit to a carryforward
 - [HB 430](#) converts the refundable research and development tax credit to a carryforward
 - [HB 770](#) converts the refundable solar tax credit to a carryforward
- **Changes to the federal income tax deduction for individuals and corporations**
 - [HB 253](#) reduces the deduction

- [HB 262](#) and [HB 616](#) propose a constitutional amendment eliminating the deduction
- **Suspension of sales and use tax exemptions**
 - [HB 513](#) and [HB 764](#) suspend the exemptions applicable to 97/100ths of a cent of state sales/use taxes from July 1, 2015 to June 30, 2017
 - [HB 551](#) suspends all sales/use tax exemptions from July 1, 2015 to June 30, 2017
 - [SCR 5](#) suspends all exemptions and exclusions from July 1, 2015 to June 30, 2016
- **Collection of sales tax by remote dealers**
 - [HB 265](#) and [HB 519](#) propose a constitutional amendment requiring the collection of the sales tax levied at the local level
 - [HB 355](#) and [HB 536](#) create an "Amazon" law
 - [SB 199](#) proposes a constitutional amendment creating an "Amazon" law
- **Separate return state changes**
 - [HB 389](#), [HB 531](#), and [SB 270](#) create an "add back" provision
 - [HB 506](#) and [SB 269](#) create combined and consolidated reporting requirements

A few other *specialty dishes* making a return to the menu (after being served up in prior legislative sessions) include:

- **Constitutional amendment to impose a hydrocarbon processing tax**
 - [HB 55](#) and [SB 15](#)
- **Repeal of the corporate franchise tax**
 - [HB 403](#)
- **Imposition of sales taxes on services**
 - [HB 84](#) (clarification re: laundry services, where such services are delivered to the customer)

It's too early to predict which of these chef's specials will be pleasing to the legislative palate. What we can tell you, however, is that [Louisiana has a projected \\$1.6 billion budget deficit](#) for the fiscal year that begins July 1, 2015, [the Louisiana Constitution requires a balanced budget](#), and [the Governor](#) has signed an [Americans for Tax Reform \(ATR\) pledge to not increase taxes](#).

In keeping with his ATR pledge, the Governor has made clear that any bill that raises taxes or suspends an existing incentive or exemption will be vetoed unless there is a corresponding new tax break that has the effect of making the change revenue neutral. It's also an election year, so the members of the Legislature are up for re-election in October. The voters will also be electing a new Governor (the Governor is limited to two terms in Louisiana).

Stay tuned for regular updates on what promises to be a very SALTY legislative session!

For further information, contact [Kimberly Lewis Robinson](#) and [Matthew A. Mantle](#).

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,

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