

2020 Second Extraordinary Session

HOUSE BILL NO. 37

BY REPRESENTATIVES BEAULLIEU AND CHARLES OWEN AND SENATOR  
CARTER

1 AN ACT

2 To enact R.S. 47:6041, relative to income tax credits; to authorize an income tax credit for  
3 certain businesses; to provide for the amount of the credit; to provide for  
4 requirements and limitations; to authorize the carryforward of unused amounts of the  
5 credit; to provide for the claiming of credits; to provide for applicability; to provide  
6 for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:6041 is hereby enacted to read as follows:

9 §6041. Tax credits for restaurants and bars affected by the COVID-19 pandemic;  
10 2020 tax year

11 A.(1) There shall be allowed a one-time credit against Louisiana income tax  
12 for the amount of annual state license or permit fees imposed by the commissioner  
13 of alcohol and tobacco control and paid by the owners or operators of restaurant  
14 establishments and establishments licensed to sell or serve alcoholic beverages for  
15 consumption on their premises by paying customers. In order for a taxpayer to be  
16 eligible for the credit authorized in this Section, the total sales made by the taxpayer's  
17 business from March 1, 2020, through December 31, 2020, must be less than the  
18 total sales made by the taxpayer's business from March 1, 2019, through December  
19 31, 2019, as a result of the operations of the business being interrupted by the  
20 COVID-19 pandemic. However, a restaurant establishment or establishment  
21 licensed to sell or serve alcoholic beverages for consumption on its premises by  
22 paying customers that commenced operations on or after August 1, 2019, shall be  
23 eligible for the credit authorized pursuant to this Section if its business operations

1 were interrupted by the COVID-19 pandemic between March 1, 2020, and  
2 December 31, 2020.

3 (2) The taxpayer claiming this credit shall submit documentation, as required  
4 by the secretary, which evidences that the taxpayer's total sales from March 1, 2020,  
5 through December 31, 2020, was less than the taxpayer's total sales from March 1,  
6 2019, through December 31, 2019, as a result of the operations of the business being  
7 interrupted by the COVID-19 pandemic. The documentation shall include the  
8 taxpayer's total sales from March 1 through December 31 for both the 2019 and 2020  
9 taxable periods, the taxpayer's Louisiana sales tax account number for each location  
10 of the taxpayer's business, the taxpayer's office of alcohol and tobacco control permit  
11 number for each location of the taxpayer's business, and any other documentation  
12 required by the secretary. However, any business eligible for the credit authorized  
13 pursuant to the provisions of this Section that commenced operations on or after  
14 August 1, 2019, shall not be required to produce documentation evidencing total  
15 sales for taxable periods in 2019.

16 B. The amount of the credit shall equal the amount of the annual state license  
17 or permit fee for calendar year 2020. The provisions of this Section shall also apply  
18 to the renewal of annual state licenses or permits imposed by the commissioner of  
19 alcohol and tobacco control for calendar year 2020. If a license or permit is issued  
20 on a two-year basis, the amount of the credit authorized pursuant to the provisions  
21 of this Section shall be the equivalent of one-half of the total license or permit fee  
22 if any part of the license or permit authorized the business to be operational during  
23 calendar year 2020.

24 C. Unused amounts of the tax credit may be carried forward as a tax credit  
25 against subsequent Louisiana income tax liability for a period not to exceed three  
26 years.

27 D. Credits may be claimed in accordance with the following:

28 (1) Any entity taxed as a corporation for Louisiana income tax purposes shall  
29 claim any credit authorized according to the provisions of this Section on its  
30 corporation income and franchise tax return.

1                   (2) Any individual, estate, or trust shall claim any credit authorized  
2                   according to the provisions of this Section on its income tax return.

3                   (3) Any entity not taxed as a corporation shall claim any credit authorized  
4                   according to the provisions of this Section on the returns of the partners or members  
5                   as follows:

6                   (a) Corporate partners or members shall claim their share of the credit on  
7                   their corporation income tax returns.

8                   (b) Individual partners or members shall claim their share of the credit on  
9                   their individual income tax returns.

10                  (c) Partners or members that are estates or trusts shall claim their share of the  
11                  credit on their fiduciary income tax returns.

12                  Section 2. The provisions of this Act shall be applicable to income taxable periods  
13                  beginning on or after January 1, 2020.

14                  Section 3. This Act shall become effective upon signature by the governor or, if not  
15                  signed by the governor, upon expiration of the time for bills to become law without signature  
16                  by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
17                  vetoed by the governor and subsequently approved by the legislature, this Act shall become  
18                  effective on the day following such approval.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_