
DIGEST

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HB 805 Engrossed

2015 Regular Session

Adams

Abstract: Changes the tax credit for ad valorem taxes paid on certain inventory, natural gas, and vessels in Outer Continental Shelf Lands Act Waters from refundable credits to credits in which 75% of the excess credit amount shall be refundable and 25% of the excess credit amount may be carried forward and applied against subsequent tax liability for up to five years.

Present law provides for an income or corporation franchise tax credit for ad valorem taxes paid to political subdivisions on inventory held by manufacturers, distributors, and retailers and on natural gas held or consumed in providing natural gas storage services or operating natural gas storage facilities. The amount of the credit shall be equal to 100% of the taxes paid to political subdivisions.

Present law provides that the taxpayer is entitled to a refund for any allowable credit which exceeds the aggregate tax liability of the taxpayer. Further requires the Dept. of Revenue to refund the excess tax credit amount to the taxpayer from current tax collections.

Proposed law changes the tax credit from a refundable credit to one in which 75% of excess credit amounts which exceed taxpayer liability shall be refundable and 25% of the excess credit amounts may be carried forward against subsequent income or corporation franchise tax liability for up to five years.

Present law provides for a La. income or corporation franchise tax credit for ad valorem taxes paid without protest to political subdivisions on vessels in Outer Continental Shelf Lands Act Waters as certified to the assessor pursuant to present law within the calendar year immediately preceding the taxable year of assessment of the vessel. The amount of the credit shall be equal to 100% of the ad valorem taxes paid to political subdivisions.

Present law provides that the taxpayer is entitled to a refund for any allowable credit which exceeds the aggregate tax liability of the taxpayer. Further requires the Dept. of Revenue to refund the excess tax credit amount to the taxpayer from current tax collections and to pay or disallow claims for credits, refunds, and interest within 90 days of receiving a tax credit or refund claim.

Proposed law changes the tax credit from a refundable credit to one in which 75% of excess credit amounts which exceed taxpayer liability shall be refundable and 25% of the excess credit amounts may be carried forward against subsequent income or corporation franchise tax liability for up to five years. Proposed law removes references to refunds and interest from the requirement that the secretary pay tax credit amounts within one year of receipt of the tax credit claim.

Applicable to all claims for these tax credits on any return filed on or after July 1, 2015, regardless of the taxable year to which the return relates.

(Amends R.S. 47:6006(A) and (B) and 6006.1(C) and (D))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Delete the income or corporation franchise tax credit for ad valorem taxes paid by a telephone company for public service property owned by the telephone company which is assessed by the La. Tax Commission at 25% of fair market value from the provisions of proposed law.
2. Change the tax credits from 100% nonrefundable to credits in which 75% of excess credit amounts which exceed taxpayer liability shall be refundable and 25% of the excess credit amounts may be carried forward against subsequent income or corporation franchise tax liability for up to five years.
3. Add applicability provision for all claims for these tax credits on returns filed on or after July 1, 2015, regardless of the taxable year to which the return relates.