

RÉSUMÉ DIGEST

ACT 133 (HB 805)

2015 Regular Session

Adams

Existing 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.

Existing law for taxpayers whose tax liability for ad valorem taxes paid to political subdivisions is less than \$10,000, provides for a refund for any allowable credit which exceeds the aggregate tax liability of the taxpayer.

Prior law for taxpayers whose tax liability for ad valorem taxes paid to political subdivisions was \$10,000 or more, were entitled to a refund for any allowed credit which exceeded the aggregate tax liability of the taxpayer.

New law changes the refundability of the excess credit amounts for taxpayers whose tax liability for ad valorem taxes paid to political subdivisions is \$10,000 or more 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.

Existing law authorizes an income and corporation franchise tax credit for certain taxpayers who employ 50 or more persons and claim a federal income tax credit for increasing research activities. This tax credit is also available for taxpayers who employ less than 50 employees if the employer meets certain eligibility requirements. The amount of the credit ranges from 8% to 40% of the La. qualified research expenses for the taxable year depending on the number of employees the employer employs minus a base amount.

Existing law authorizes a tax credit for a taxpayer who receives a federal Small Business Innovation Research Grant equal to 40% of the award received by the taxpayer during the tax year.

Prior law provided for the refund for any allowed credit which exceeded the aggregate tax liability of the taxpayer.

New law deletes the refundability of excess credit amounts for the tax credit which exceed the aggregate tax liability of the taxpayer.

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. However, the provisions of new law shall not apply to an amended return filed on or after July 1, 2015, provided that these credits were properly claimed on an original return filed prior to July 1, 2015.

(Amends R.S. 47:6006(A) and (B) and 6015(B)(1)and (2) and (D); Adds R.S. 47:6015(K))