

2017 Regular Session

HOUSE BILL NO. 662

BY REPRESENTATIVE JACKSON

TAX CREDITS: Changes certain refundable tax credits to nonrefundable

1 AN ACT

2 To amend and reenact R.S. 47:297.6(A)(4), 6006.1(C) and (D), 6014(D) and (E)(2),
3 6022(E)(2)(introductory paragraph), 6032(A) and (E), 6034(D)(1), and 6035(E) and
4 to enact R.S. 47:6022(E)(3), relative to income and franchise tax credits; to make
5 certain tax credits that are refundable in excess of tax liability nonrefundable; to
6 provide for applicability; to provide for effectiveness; and to provide for related
7 matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:297.6(A)(4), 6006.1(C) and (D), 6014(D) and (E)(2),
10 6022(E)(2)(introductory paragraph), 6032(A) and (E), 6034(D)(1), and 6035(E) are hereby
11 amended and reenacted and R.S. 47:6022(E)(3) is hereby enacted to read as follows:

12 §297.6. Reduction to tax due; rehabilitation of residential structures

13 A.

14 * * *

15 ~~(4) Any excess of the credit portion allowed in a taxable period over the~~
16 ~~individual income tax liability for that taxable period against which the credit can be~~
17 ~~applied shall constitute an overpayment, as defined in R.S. 47:1621(A), and the~~
18 ~~secretary shall make a refund of such overpayment from the current collections of~~
19 ~~the taxes imposed by Chapter 1 of Subtitle II of this Title, as amended. The right to~~
20 ~~a refund of any such overpayment shall not be subject to the requirements of R.S.~~

1 for purpose of this Section; that such vessel was "principally operated" in Outer
2 Continental Shelf Lands Act Waters during the applicable tax year; and that such
3 taxpayer shall be entitled to a credit ~~or refund~~ pursuant to this Section.

4 * * *

5 §6014. Credit for property taxes paid by certain telephone companies; fund

6 * * *

7 D. ~~The excess, if any, of the credit allowed by this Section over the aggregate~~
8 ~~tax liabilities against which such allowable credit may be applied, as provided in this~~
9 ~~Section, shall constitute an overpayment, as defined in R.S. 47:1621(A), and the~~
10 ~~secretary shall make a refund of such overpayment from the current collections of~~
11 ~~the taxes imposed under Chapter 2 of Subtitle II of this Title, together with interest~~
12 ~~as provided in R.S. 47:1624. The right to a refund of any such overpayment shall not~~
13 ~~be subject to the requirements of R.S. 47:1621(B). Any such refund, together with~~
14 ~~interest thereon, shall be paid by the secretary within ninety days of receipt by the~~
15 ~~secretary of the return on which the credit allowed by this Section is claimed. Failure~~
16 ~~of the secretary to pay such refund, in whole or in part, shall entitle the aggrieved~~
17 ~~taxpayer to proceed with the remedies provided in R.S. 47:1625. The total of all such~~
18 ~~credits taken in a tax year shall not exceed the total tax liability for that tax year.~~

19 E.

20 * * *

21 (2) The monies in the fund shall be used solely and exclusively for the
22 purpose of providing funds to pay the credits ~~or refunds~~ as provided in this Section.
23 The treasurer shall annually transfer to the state general fund an amount equal to the
24 credits taken and refunds issued pursuant to this Section.

25 * * *

26 §6022. Digital interactive media and software tax credit

27 * * *

28 E. Use of tax credits.

29 * * *

1 §6034. Musical and theatrical production income tax credit

2 * * *

3 D.(1) The credit shall be allowed against individual or corporate income tax
4 of the companies or financiers of the production or infrastructure project in
5 accordance with their share of the credit as provided for in the application for
6 certification for the production or infrastructure project. A company or financier
7 may, on a one-time basis, transfer the credit, or any refund of an overpayment for a
8 state-certified musical or theatrical production or infrastructure project or a higher
9 education musical or theatrical infrastructure project approved by the Department of
10 Economic Development prior to January 1, 2018, to an individual or other entity
11 including without limitation a bank or other lender, provided that the transfer shall
12 not be effective until receipt by the Department of Revenue of written notice of such
13 transfer. Transferors and transferees shall submit to the Department of Revenue, in
14 writing, a notification of any transfer of the tax credit within ten business days after
15 the transfer. The credit shall be allowed for the taxable period in which expenditures
16 eligible for a credit are expended. Any excess of the credit allowed for a state-
17 certified musical or theatrical production or infrastructure project or a higher
18 education musical or theatrical infrastructure project initially certified by the
19 Department of Economic Development prior to January 1, 2018, over the income tax
20 liability against which the credit may be applied shall constitute an overpayment, as
21 defined in R.S. 47:1621(A), and the secretary of the Department of Revenue shall
22 make a refund of such overpayment from the current collections of the taxes imposed
23 by Chapter 1 of Subtitle II of this Title, as amended. The right to a such refund of
24 any such overpayment shall not be subject to the requirements of R.S. 47:1621(B).
25 The tax credit provided for in this Section for state-certified musical or theatrical
26 productions or infrastructure projects or higher education musical or theatrical
27 infrastructure projects initially certified by the Department of Economic
28 Development on or after January 1, 2018, shall not be refundable.

29 * * *

1 §6035. Tax credit for conversion of vehicles to alternative fuel usage

2 * * *

3 E. If the tax credit allowed pursuant to the provisions of this Section exceeds
4 the amount of income taxes due or if the taxpayer owes no state income taxes, any
5 excess of the tax ~~credit~~ credits allowed on qualified clean-burning motor vehicle fuel
6 property purchased and installed, or new motor vehicles purchased at retail, before
7 January 1, 2018, over the income tax liability against which the credit can be applied
8 shall constitute an overpayment, as defined in R.S. 47:1621(A), and the secretary
9 shall make a refund of the overpayment from the current collections of the taxes
10 imposed by Chapter 1 of Subtitle II of this Title, as amended. The right to a refund
11 of any overpayment shall not be subject to the requirements of R.S. 47:1621(B). No
12 such refunds shall be allowed for excess tax credits for qualified clean-burning motor
13 vehicle fuel property purchased and installed, or new motor vehicles purchased at
14 retail, on and after January 1, 2018; the total of all such credits taken in a tax year for
15 such property and motor vehicles shall not exceed the total tax liability for that tax
16 year.

17 * * *

18 Section 2. The provisions of this Act shall be applicable to all income tax years
19 beginning on and after January 1, 2018, and franchise tax years beginning on and after
20 January 1, 2018.

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

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 662 Draft

2017 Regular Session

Jackson

Abstract: Changes various refundable income and corporate franchise tax credits to nonrefundable tax credits.

Present law provides for the payment of certain credits in excess of the tax liability for the taxable period, also known as refundable credits, including the following credits:

- (1) Rehabilitation of residential structures (R.S. 47:297.6) - credit for the cost of the rehabilitation of certain structures in a National Register Historic District
- (2) Vessels in Outer Continental Shelf Lands Act Waters (R.S. 47:6006.1) - credit against income or corporation franchise tax for ad valorem property taxes paid to political subdivisions on vessels in Outer Continental Shelf Lands Act Waters.
- (3) Property taxes paid by certain telephone companies (R.S. 47:6014) - credit against income corporation franchise tax for certain ad valorem property taxes paid to political subdivisions by a telephone company.
- (4) Digital interactive media and software credit (R.S. 47:6022) - credit for qualified investments in production of digital interactive media products.
- (5) Certain milk producers (R.S. 47:6032) - credit based on certain amounts of milk produced and sold.
- (6) Musical and theatrical production income (R.S. 47:6034) - credit for state-certified musical or theatrical productions or infrastructure projects or for higher education musical or theatrical infrastructure projects certified by the Department of Economic Development.
- (7) Conversion of vehicles to alternative fuel usage (R.S. 47:6035) - credit for a portion of the cost of qualified clean-burning motor vehicle fuel property which operates on "alternative fuel", defined as natural gas, liquified petroleum gas, and any nonethanol based advanced biofuel and includes certain electric vehicles.

Proposed law changes credits provided for in present law from refundable credits to nonrefundable credits for which the taxpayer will not receive payment in excess of the tax liability for the taxable period.

Applicable to all income tax years beginning on and after January 1, 2018, and franchise tax years beginning on and after January 1, 2018.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:297.6(A)(4), 6006.1(C) and (D), 6014(D) and (E)(2), 6022(E)(2)(intro. para.), 6032(A) and (E), 6034(D)(1), and 6035(E); Adds R.S. 47:6022(E)(3))