2017 Regular Session

HOUSE BILL NO. 313

BY REPRESENTATIVE STOKES

| 1 | AN ACT |
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| 2 | To amend and reenact R.S. 47:6006(C)(2)(introductory paragraph), (b)(ii), (iii), and (iv) and |
| 3 | (4) and to enact R.S. 47:6006(C)(2)(a)(iv), relative to income taxes; to provide with |
| 4 | respect to the tax credit for local taxes paid on inventory; to provide for certain |
| 5 | definitions; to provide for eligibility of taxpayers claiming the tax credit; to provide |
| 6 | for limitations; to provide for applicability; to provide for effectiveness; and to |
| 7 | provide for related matters. |
| 8 | Be it enacted by the Legislature of Louisiana: |
| 9 | Section 1. R.S. 47:6006(C)(2)(introductory paragraph), (b)(ii), (iii), and (iv) and (4) |
| 10 | are hereby amended and reenacted and R.S. 47:6006(C)(2)(a)(iv) is hereby enacted to read |
| 11 | as follows: |
| 12 | §6006. Tax credits for local inventory taxes paid |
| 13 | * * * |
| 14 | C. For purposes of this Section, the following terms shall have the meanings |
| 15 | ascribed to them: |
| 16 | * * * |
| 17 | (2) "Inventory" means the aggregate of those items of tangible personal |
| 18 | property that are held exclusively for sale in the ordinary course of business, are |
| 19 | currently in the process of production for subsequent sale, or are to physically |
| 20 | become a part of the production of such goods. |
| 21 | (a) "Inventory" shall include the following: |
| 22 | * * * |

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CODING: Words in struck through type are deletions from existing law; words $\underline{\text{underscored}}$ are additions.

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| 1 | (IV) Any item of tanglole personal property owned by a retailer that is |
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| 2 | available for or subject to a short-term rental and that will subsequently or ultimately |
| 3 | be sold by the retailer. For purposes of this Section, the term "short-term rental" |
| 4 | shall mean a rental of an item of tangible personal property for a period of less than |
| 5 | three hundred sixty-five days, for an undefined period, or under an open-ended |
| 6 | agreement. |
| 7 | (b) "Inventory" shall not include the following: |
| 8 | * * * |
| 9 | (ii) Items that would otherwise be considered inventory at any time |
| 10 | following the initial lease by the taxpayer of such items. The provisions of this Item |
| 11 | shall not include the rental of tangible personal property as provided for in Item |
| 12 | (a)(iv) of this Paragraph. |
| 13 | (iii) Items that would otherwise be considered inventory any time after the |
| 14 | taxpayer has commenced depreciating the item on the taxpayer's federal tax return. |
| 15 | The provisions of this Item shall not include the rental of tangible personal property |
| 16 | as provided for in Item(a)(iv) of this Paragraph. |
| 17 | (iv) Items that have been subject to use by the taxpayer when owned for |
| 18 | more than eighteen months. The provisions of this Item shall not include the rental |
| 19 | of tangible personal property as provided for in Item (a)(iv) of this Paragraph. |
| 20 | * * * |
| 21 | (4) "Retailer" means a person engaged in the sale of products to the ultimate |
| 22 | consumer. The term "retailer" shall also include a person engaged in the short-term |
| 23 | rental of tangible personal property classified under code numbers 532412 and |
| 24 | 532310 of the North American Industry Classification System published by the |
| 25 | United States Bureau of Census and who is registered with the Department of |
| 26 | Revenue as a retailer as defined in this Section. |
| 27 | * * * |
| 28 | Section 2. The provisions of this Act shall apply retroactively to tax periods |
| 29 | beginning on and after January 1, 2016. |
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APPROVED: _____