**ACT No. 338** 

HOUSE BILL NO. 313

## BY REPRESENTATIVE STOKES

1	AN ACT
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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1	(IV) Any item of tanglole personal property owned by a retailer that is
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.

**ENROLLED** 

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