The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

DIGEST 2021 Regular Session

Ward

<u>Present law</u> provides an income and franchise tax credit for local ad valorem taxes on inventory paid by manufacturers and retailers.

<u>Present law</u> authorizes a full refund of the credit for ad valorem taxes on inventory paid for certain small businesses, a refund of 75% of the taxes paid when ad valorem taxes are \$1 million or less, and a nonrefundable income and franchise tax credit for the remainder of ad valorem taxes paid.

<u>Present law</u> provides that the nonrefundable portion of the tax credit may be carried forward for a maximum of 10 years.

<u>Proposed law</u> clarifies that the carryforward period increased from five to 10 years for all carryforward balances of the credit remaining as of Dec. 31, 2020.

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

(Amends §2 of Act. No. 55 of 2020, 2nd E.S.)

SB 242 Original