

2025 Regular Session

SENATE BILL NO. 44

BY SENATOR LUNEAU

TAX/TAXATION. Provides relative to the transfer and refundability of certain income tax credits. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:6006(B), 6006.1(D), and 6043(B)(1) and (D), and R.S.
3 47:6006.1(C) as amended and reenacted by Section 1 of Act 6 of the 2024 Third
4 Extraordinary Session of the Legislature of Louisiana, relative to income tax credits;
5 to provide relative to the application of tax credits on a tax return; to provide for the
6 carryforward of tax credits; to provide relative to the transfer of credits; to provide
7 relative to the transfer of tax credits; to provide for applicability; to provide for an
8 effective date; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:6006(B), 6006.1(D), and 6043(B)(1) and (D) are hereby amended
11 and reenacted to read as follows:

12 §6006. Tax credits for local inventory taxes paid

13 * * *

14 B.(1) Credit for taxes paid by unincorporated persons and pass-through
15 entities shall be applied to state individual income taxes. ~~The secretary shall make~~
16 ~~a refund to the taxpayer in the amount to which he is entitled from the current~~
17 ~~collections of the taxes collected pursuant to Chapter 1 of Subtitle II of this Title. If~~

1 the amount of the credit authorized pursuant to Subsection A of this Section exceeds
2 the amount of tax liability for the tax year, the following amounts of the excess credit
3 shall either be refundable or **If the amount of the credit authorized pursuant to**
4 **the provisions of this Section exceeds the amount of the taxpayer's tax liability**
5 **for the taxable year, the excess tax credit amount** may be carried forward as a
6 credit against subsequent Louisiana individual income tax liability for a period not
7 to exceed ten years, as follows:

8 (a) Taxpayers whose ad valorem taxes eligible for the credit authorized
9 pursuant to this Section paid to all political subdivisions in the taxable year was less
10 than or equal to five hundred thousand dollars shall be refunded all of the excess
11 credit.

12 (b) Taxpayers whose ad valorem taxes eligible for the credit authorized
13 pursuant to this Section paid to all political subdivisions in the taxable year was more
14 than five hundred thousand dollars, but less than or equal to one million dollars, shall
15 be refunded seventy-five percent of the excess credit, and the remaining twenty-five
16 percent of the excess credit shall be carried forward as a credit against subsequent
17 tax liability for a period not to exceed ten years.

18 (c) Taxpayers whose ad valorem taxes eligible for the credit authorized
19 pursuant to this Section paid to all political subdivisions in the taxable year was more
20 than one million dollars shall be refunded seventy-five percent of the first one
21 million dollars of excess credit, and the remaining amount of the credit shall be
22 carried forward as a credit against subsequent tax liability for a period not to exceed
23 ten years.

24 (2) Each taxpayer allowed a credit under this Section shall claim the credit
25 on its separately filed individual income tax return.

26 (3)(a) Subparagraphs (1)(a) and (b) of this Subsection shall not apply to any
27 new business entity formed or registered to do business in this state after April 15,
28 2016.

29 (b) New business entities formed or first registered to do business in this state

1 after April 15, 2016, whose ad valorem taxes paid to all political subdivisions in the
 2 taxable year was less than ten thousand dollars shall be refunded all of the excess
 3 credit.

4 (c) ~~New business entities formed or first registered to do business in this state~~
 5 ~~after April 15, 2016, whose ad valorem taxes paid to all political subdivisions in the~~
 6 ~~taxable year was ten thousand dollars or more, but no more than one million dollars~~
 7 ~~shall be refunded seventy-five percent of the excess credit, and the remaining~~
 8 ~~twenty-five percent of the credit shall be carried forward as a credit against~~
 9 ~~subsequent tax liability for a period not to exceed ten years.~~

10 (4) ~~Notwithstanding any provision in this Section to the contrary, for a~~
 11 ~~manufacturer, as defined in Subparagraph (C)(3)(b) of this Section, if the amount of~~
 12 ~~the credit authorized pursuant to Subsection A of this Section exceeds the amount~~
 13 ~~of tax liability for the tax year, the excess credit shall not be refundable and may only~~
 14 ~~be carried forward as a credit against subsequent Louisiana individual income tax~~
 15 ~~liability for a period not to exceed ten years and shall not be refundable.~~

16 * * *

17 §6006.1. Tax credits for taxes paid with respect to vessels in Outer Continental Shelf

18 Lands Act Waters

19 * * *

20 D.(1) For the purpose of allowing the credit ~~or refund~~ for ad valorem taxes
 21 paid to political subdivisions as provided herein, the term "vessel" shall include
 22 ships, oceangoing tugs, towboats, and barges. The term "Outer Continental Shelf
 23 Lands Act Waters" as used herein shall have the meaning ascribed to it in R.S.
 24 47:1702.

25 * * *

26 §6043. Recycling of oyster shells; restaurant tax credit

27 * * *

28 B.(1) There shall be allowed a ~~refundable~~ credit against Louisiana income tax
 29 for restaurants that donate oyster shells for beneficial use in accordance with the

1 qualifications provided in this Subsection.

2 * * *

3 D. ~~If the amount of the credit authorized by this Section exceeds the amount~~
4 ~~of the taxpayer's tax liability for the taxable year, the excess tax credit amount shall~~
5 ~~constitute an overpayment as defined in R.S. 47:1621(A), and the secretary shall~~
6 ~~make a refund of the overpayment from the current collections of the taxes imposed~~
7 ~~pursuant to Chapter 1 of Subtitle II of this Title. The right to a refund shall not be~~
8 ~~subject to the requirements of R.S. 47:1621(B).~~ **If the amount of the credit**
9 **authorized pursuant to the provisions of this Section exceeds the amount of the**
10 **taxpayer's tax liability for the taxable year, the excess tax credit amount may**
11 **be carried forward as a credit against subsequent Louisiana individual income**
12 **tax liability for a period not to exceed five years.**

13 * * *

14 Section 2. R.S. 47:6006.1(C) as amended and reenacted by Section 1 of Act 6 of the
15 2024 Third Extraordinary Session of the Legislature of Louisiana is hereby amended and
16 reenacted to read as follows:

17 §6006.1. Tax credits for taxes paid with respect to vessels in Outer Continental Shelf

18 Lands Act Waters

19 * * *

20 C. ~~Notwithstanding any other provision of law to the contrary in this Title,~~
21 ~~any excess of allowable credit established by this Section over the aggregate tax~~
22 ~~liabilities against which the credit can be applied, as provided in this Section, shall~~
23 ~~constitute an overpayment, as defined in R.S. 47:1621(A), and the secretary shall~~
24 ~~make a refund of the overpayment from the current collections of the taxes imposed~~
25 ~~by Chapter 1 of Subtitle II of this Title, together with interest as provided in R.S.~~
26 ~~47:1624. The right to a credit or refund of an overpayment shall not be subject to the~~
27 ~~requirements of R.S. 47:1621(B). All credits and refunds, together with interest~~
28 ~~thereon, must be paid or disallowed within ninety days of receipt by the secretary of~~
29 ~~the claim for refund or credit. Failure of the secretary to pay or disallow, in whole~~

or in part, any claim for a credit or a refund shall entitle the aggrieved taxpayer to proceed with the remedies provided in R.S. 47:1625 **If the amount of the credit authorized pursuant to the provisions of this Section exceeds the amount of the taxpayer's tax liability for the taxable year, the excess tax credit amount may be carried forward as a credit against subsequent Louisiana individual income tax liability for a period not to exceed ten years.**

* * *

Section 3. The provisions of this Act shall be applicable to taxable periods beginning on or after January 1, 2026.

Section 4. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, 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)]

DIGEST

SB 44 Engrossed

2025 Regular Session

Luneau

Present law provides a credit against La. income taxes for taxpayers who are not C-corporations for ad valorem taxes paid to political subdivisions on inventory held by manufacturers, distributors, and retailers and on natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities. The credit is refundable in certain circumstances.

Proposed law prohibits the credit from being refundable, instead provides for a 10 year carry forward period, and otherwise retains present law.

Present law authorizes a refundable tax credit against La. income taxes for restaurants that donate oyster shells for beneficial use in accordance with the qualifications in present law.

Proposed law repeals the refundability of the tax credit, instead provides for a 10 year carry forward period, and otherwise retains present law.

Present law provides a refundable credit against La. income taxes for ad valorem taxes paid to political subdivisions on vessels in Outer Continental Shelf Lands Act Waters as certified to the assessor pursuant to present law within the calendar year immediately preceding the taxable year of assessment of such vessel.

Proposed law repeals the refundability of the tax credit, instead provides for a 10 year carry

forward period, and otherwise retains present law.

Applicable to taxable periods beginning on or after January 1, 2026.

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

(Amends R.S. 47:6006(B), 6006.1(D), and 6043(B)(1) and (D), and R.S. 47:6006.1(C) as amended by §1 of Act No. 6 of the 2024 3rd ES)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

- 1 Remove provisions relative to the refundability of the credit for property taxes paid by certain telephone companies.
2. Remove previously repealed provisions relative to the tax credit for purchasers from "PIE contractors".
3. Remove provisions relative to the transferability of certain research and development tax credits.
4. Remove provisions relative to the refundability of digital interactive media and software tax credit.
5. Make technical changes.