2015 Regular Session

HOUSE BILL NO. 816

BY REPRESENTATIVE CONNICK

TAX CREDITS: Provides for the carryforward rather than the refund of the tax credit for certain milk producers

1	AN ACT
2	To amend and reenact R.S. 47:6032(A) and (E), relative to income and corporation franchise
3	tax credits; to provide with respect to the tax credit for certain milk producers; to
4	provide with respect to authorization for issuance of refunds for tax credits which
5	exceed taxpayer tax liability; to provide for certain limitations; to provide for
6	effectiveness; and to provide for related matters.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. R.S. 47:6032(A) and (E) are hereby amended and reenacted to read as
9	follows:
10	§6032. Tax credit for certain milk producers
11	A. A resident taxpayer engaged in the business of producing milk for sale
12	shall be allowed a refundable tax credit based on the amount of milk produced and
13	sold. The credit may be claimed against any Louisiana income tax and the
14	corporation franchise tax. The credit shall be allowed when the USDA Uniform
15	Price in Federal Order Number 7 drops below the announced production price any
16	time during the calendar year.
17	* * *
18	E. If no taxes are due, or the credit exceeds the tax liability of the taxpayer
19	for the taxable year, the amount of the credit or excess over the tax liability shall be
20	refunded to the taxpayer. If the amount of the credit exceeds the amount of tax

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	liability for the tax year, then any unused credit may be carried forward as a credit
2	against subsequent Louisiana income or corporation franchise tax liability for a
3	period not to exceed five years. The Department of Health and Hospitals shall
4	certify to the Department of Revenue, by January 31 of the following year, which
5	milk producers have been permitted under Louisiana Administrative Code, Title 51,
6	Public Health Sanitary Code, Part VII, Milk, Milk Products, and Manufactured Milk
7	Products, and meet the requirements of the Grade A Pasteurized Milk Ordinance of
8	the 2005 revision of the Food and Drug Administration. Any producer not certified
9	by the Department of Health and Hospitals as provided by this Section shall not be
10	entitled to the credit provided for in this Section.
11	* * *
12	Section 2. The provisions of this Act shall be applicable to tax years beginning on

13 or after January 1, 2015.

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)]

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2015 Regular Session

Connick

Abstract: Changes the tax credit for resident milk producers <u>from</u> a refundable credit <u>to</u> a credit in which amounts of the credit above the tax liability may be carried forward and applied against subsequent tax liability for up to five years.

<u>Present law</u> provides for a refundable income and corporation franchise tax credit for resident taxpayers engaged in the business of producing milk for sale based on the amount of milk produced and sold. The credit shall be allowed when the USDA Uniform Price in Federal Order Number 7 drops below the announced production price any time during the calendar year. The amount of the credit varies based on the production and sale of milk below the announced production price over a calendar year. However, the maximum amount of the credit per producer is capped at \$30,000, and the total aggregate amount of credits per year is capped at \$2.5 million.

<u>Present law</u> provides that the taxpayer is entitled to a refund if the taxpayer owes no taxes or if the allowable credit exceeds the tax liability of the taxpayer.

<u>Proposed law</u> changes the tax credit <u>from</u> a refundable credit <u>to</u> one in which credit amounts which exceed taxpayer liability may be carried forward against subsequent income or corporation franchise tax liability for up to five years.

Applicable to tax years beginning on or after Jan. 1, 2015.

(Amends R.S. 47:6032(A) and (E))