

## HOUSE SUMMARY OF SENATE AMENDMENTS

**HB 805**

**2015 Regular Session**

**Adams**

TAX CREDITS: Provides for the carry forward rather than the refund of a certain portion of the tax credits for ad valorem taxes paid to local governments

### Synopsis of Senate Amendments

1. Authorizes taxpayers whose ad valorem taxes paid to political subdivisions are less than \$10,000 to receive 100% of the excess tax credit amounts in the form of a refund from the state.
2. Authorizes taxpayers whose ad valorem taxes paid to political subdivisions are \$10,000 or more to receive 25% of the excess tax credit amounts in the form of a refund and the remaining 75% may be carried forward as a credit against subsequent tax liability for a period not to exceed five years.
3. Requires that refunds to taxpayers be paid from the current collections of income and corporation franchise taxes.
4. Adds the research and development tax credit to proposed law changing it from a refundable tax credit to 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.
5. Adds provision that proposed law shall not apply to amended returns timely filed on or after July 1, 2015, relating to an original return that was filed on or prior to July 1, 2015, and properly claimed an exemption, credit, rebate, or deduction.

### Digest of Bill as Finally Passed by Senate

Present law provides for an income or corporation franchise tax credit for ad valorem taxes paid to political subdivisions on inventory held by manufacturers, distributors, and retailers and on natural gas held or consumed in providing natural gas storage services or operating natural gas storage facilities. The amount of the credit shall be equal to 100% of the taxes paid to political subdivisions.

Present law provides that the taxpayer is entitled to a refund for any allowable credit which exceeds the aggregate tax liability of the taxpayer.

Proposed law retains present law for taxpayers whose tax liability for ad valorem taxes paid to political subdivisions is less than \$10,000.

Proposed law changes present law for taxpayers whose tax liability for ad valorem taxes paid to political subdivisions is \$10,000 or more from a refundable credit to one in which 25% of excess credit amounts which exceed taxpayer liability shall be refundable and 75% of the excess credit amounts may be carried forward against subsequent income or corporation franchise tax liability for up to five years.

Present law requires the Dept. of Revenue to refund the excess tax credit amount to the taxpayer from current tax collections of income and corporate franchise taxes.

Proposed law retains present law.

Present law authorizes a refundable income and corporation franchise tax credit for certain

taxpayers who employ 50 or more persons and claim a federal income tax credit for increasing research activities. This tax credit is also available for taxpayers who employ less than 50 employees if the employer meets certain eligibility requirements. The amount of the credit ranges from 8% to 40% of the La. qualified research expenses for the taxable year depending on the number of employees the employer employs minus a base amount.

Proposed law changes the tax credit from a refundable credit to 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 all claims for these tax credits on any return filed on or after July 1, 2015, regardless of the taxable year to which the return relates. However, proposed law shall not apply to amended returns timely filed on or after July 1, 2015, relating to an original return that was filed on or prior to July 1, 2015, and properly claimed a credit.

(Amends R.S. 47:6006(A) and (B) and 6015(B)(1)and (2); Adds R.S. 47:6015(K))