ACT No. 415

HOUSE BILL NO. 664

BY REPRESENTATIVE STOKES

1	AN ACT
2	To amend and reenact R.S. 47:6006(C) and to enact R.S. 47:6006(E), relative to tax credits;
3	to provide for certain definitions; to provide for the amount of the credit; to provide
4	for renditions of inventory; to provide for an effective date; and to provide for related
5	matters.
6	Be it enacted by the Legislature of Louisiana:
7	Section 1. R.S. 47:6006(C) is hereby amended and reenacted and R.S. 47:6006(E)
8	is hereby enacted to read as follows:
9	§6006. Tax credits for local inventory taxes paid
10	* * *
11	C. For purposes of this Section, the following terms shall have the meanings
12	ascribed to them:
13	(1) The term "manufacturer" as used herein means a person engaged in the
14	business of working raw materials into wares suitable for use or which gives new
15	shapes, qualities, or combinations to matter which already has gone through some
16	artificial process.
17	(2) The term "distributor" as used herein means a person engaged in the sale
18	of products for resale or further processing for resale.
19	(3) The term "retailer" as used herein means a person engaged in the sale of
20	products to the ultimate consumer.
21	(4) The term "inventory" means the aggregate of those items of tangible
22	personal property that are held exclusively for sale in the ordinary course of business,
23	are currently in the process of production for subsequent sale, or are to physically
24	become a part of the production of such goods.

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1	(a) "Inventory" shall include the following:
2	(i) Goods or commodities awaiting sale that include but are not limited to the
3	merchandise of a retail or wholesale concern, the finished goods of a manufacturer,
4	the commodities from farms, mines, and quarries, and goods that are used or trade-in
5	merchandise and by-products of a manufacturer.
6	(ii) Goods or commodities that are in the course of production.
7	(iii) Raw materials and supplies that will be consumed in the Louisiana
8	manufacturing process.
9	(b) "Inventory" shall not include the following:
10	(i) Oil stored in tanks held by a producer prior to the first sale of the oil, and
11	oil otherwise exempt from ad valorem taxation pursuant to the provisions of the
12	Constitution of Louisiana.
13	(ii) Items that would otherwise be considered inventory at any time
14	following the initial lease by the taxpayer of such items.
15	(iii) Items that would otherwise be considered inventory any time after the
16	taxpayer has commenced depreciating the item on the taxpayer's federal tax return.
17	(iv) Items that have been subject to use by the taxpayer when owned for
18	more than eighteen months.
19	(v) Items that are otherwise exempt from ad valorem taxation pursuant to the
20	provisions of the Constitution of Louisiana, including, goods, commodities, or
21	personal property stored in the state for use in interstate commerce as provided for
22	in Article VII, Section 21(D)(3) of the Constitution of Louisiana.
23	* * *
24	E. At any time after a finding of overvaluation or misclassification of
25	inventory for the purposes of this credit by audit or on appeal by the Board of Tax
26	Appeals or court that last reviews the matter, the secretary of the Department of
27	Revenue may intervene in any proceeding related to the valuation or classification
28	of property as inventory for which a credit will be claimed pursuant to this Section.

1	Section 2. This Act shall become effective January 1, 2016 and shall be applicable
2	to all tax years beginning on and after January 1, 2016.
	SPEAKER OF THE HOUSE OF REPRESENTATIVES
	PRESIDENT OF THE SENATE
	GOVERNOR OF THE STATE OF LOUISIANA

ENROLLED

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APPROVED: _____