
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)]

SB 10 Engrossed

2016 Second Extraordinary Session

Ward

Present law provides that ad valorem tax forms filed by a taxpayer shall be confidential and shall be used by the assessor, the governing authority, and the Louisiana Tax Commission solely for the purpose of administering the provisions of Acts 1976, No. 705.

Proposed law permits use of ad valorem tax forms by the Department of Revenue for purposes of verifying eligibility for inventory tax credits.

Present law authorizes a partially refundable tax credit for taxpayers who pay \$10,000 or more in ad valorem taxes on inventory held by manufacturers and allows any unused credits to be carried forward as a credit against subsequent tax liability for a period not to exceed five years.

Present law provides for the definition of "inventory" and contains certain exclusions from that definition.

Present law provides that a "manufacturer" means a person engaged in the business of working raw materials into wares suitable for use or which give new shapes, qualities, or combinations to matter which already has gone through some artificial process.

Proposed law retains present law but further provides that a "manufacturer" shall mean a person, business, corporation, affiliate or subsidiary of a business or corporation, or any business organization, who has claimed the ad valorem exemption under present constitution during the taxable year in which the local inventory taxes were levied and the inventory subject to ad valorem taxation was held at the new manufacturing establishment for which the ad valorem exemption is claimed.

Proposed law applies to all claims for these credits on any return filed on or after July 1, 2016, regardless of the taxable year to which the return relates.

Proposed law shall not apply to an amended return filed on or after July 1, 2016, provided that these credits were properly claimed on an original return filed prior to July 1, 2016.

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

(Amends R.S. 47:2327 and 6006(B) and (C)(3))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the engrossed bill:

1. Delete provisions of proposed law that exclude from the definition of "inventory" items of tangible personal property held at a manufacturing establishment or an addition thereto that was exempt from ad valorem taxation under present constitution for the year in which ad valorem taxes were levied upon such items of tangible personal property.
2. Authorize any excess credit amount in present law to carry forward for five years for certain manufacturers.
3. Define "manufacturer" for purposes of authorizing only a carry forward credit for certain manufacturers.