

2017 Regular Session

HOUSE BILL NO. 425

BY REPRESENTATIVE MAGEE

TAX CREDITS: Removes the restriction against taxes paid under protest concerning claims for the ad valorem tax credit for certain offshore vessels

1 AN ACT

2 To amend and reenact R.S. 47:6006.1(A), (D)(2), and (F), relative to tax credits; to provide  
3 with respect to the tax credit for ad valorem taxes paid with respect to vessels in  
4 Outer Continental Shelf Lands Waters; to provide for eligibility for claiming the  
5 credit; to authorize the recapture of tax credits under certain circumstances; to  
6 provide for effectiveness; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:6006.1(A), (D)(2), and (F) are hereby amended and reenacted to  
9 read as follows:

10 §6006.1. Tax credits for taxes paid with respect to vessels in Outer Continental  
11 Shelf Lands Act Waters

12 A. There shall be allowed a credit against any Louisiana income or  
13 corporation franchise tax for ad valorem taxes paid ~~without protest~~ to political  
14 subdivisions on vessels in Outer Continental Shelf Lands Act Waters as certified to  
15 the assessor pursuant to R.S. 47:1956(B) within the calendar year immediately  
16 preceding the taxable year of assessment of such vessel. For purposes of this  
17 Section, ad valorem taxes shall be deemed to be paid to political subdivisions when  
18 they are paid ~~without protest~~ either in money or by applying credits established  
19 pursuant to ~~R.S. 47:2108.1~~ R.S. 47:2132.

20 \* \* \*

1 D.

2 \* \* \*

3 (2) The acceptance by the sheriff and ex officio tax collector of the ad  
4 valorem taxes paid ~~without protest~~ by a taxpayer as certified under R.S. 47:1956(B)  
5 shall conclusively establish: that such property was properly classified as a "vessel",  
6 for purpose of this Section; that such vessel was "principally operated" in Outer  
7 Continental Shelf Lands Act Waters during the applicable tax year; and that such  
8 taxpayer shall be entitled to a credit or refund pursuant to this Section.

9 \* \* \*

10 F. Nothing herein and any taxes paid by a taxpayer relative to any vessel, as  
11 defined herein, shall in any way prohibit any taxpayer from the payment of ad  
12 valorem taxes under protest or to otherwise resist the collection of such ad valorem  
13 taxes. If a taxpayer pays ad valorem taxes under protest, the taxpayer shall notify the  
14 Department of Revenue by submitting a copy of the payment under protest notice,  
15 along with a copy of the lawsuit that was filed. Notice shall be provided to the  
16 department within five business days of the date the lawsuit is filed. If the taxpayer  
17 prevails in the suit against the political subdivision, the amount of the credit issued  
18 under the provisions of this Section for ad valorem taxes paid by the taxpayer that  
19 are determined by the court to not be due to the political subdivision shall be subject  
20 to recapture by the Department of Revenue as provided for in R.S. 47:1621(E). Any  
21 action by the Department of Revenue to recapture tax credits shall be initiated within  
22 two years from the date of issuance of the final judgment in the suit related to the  
23 payment of the taxes under protest. Further, nothing in this Section shall affect,  
24 define, interpret, in whole or in part, or otherwise determine the applicability of the  
25 international trade exemption in Article VII, Section 21(C)(16) of the Constitution  
26 of Louisiana or any other applicable rights, exemptions, exclusions, preemptions, or  
27 peremptions under the Constitution of Louisiana as amended, the Constitution of the  
28 United States as amended, all treaties and executive agreements of the United States,

1 all intrastate agreements and compacts between Louisiana and other states, all laws  
2 of Louisiana as amended, and all laws of the United States of America as amended.

3 \* \* \*

4 Section 2. The provisions of this Act shall apply to corporation income tax periods  
5 beginning on and after January 1, 2017 and corporation franchise tax periods beginning on  
6 and after January 1, 2018.

7 Section 3. This Act shall become effective on July 1, 2017.

---

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)]

---

HB 425 Reengrossed

2017 Regular Session

Magee

**Abstract:** Removes the prohibition on eligibility for the tax credit for ad valorem taxes paid with respect to vessels in Outer Continental Shelf Lands Act Waters in instances where taxes were paid under protest.

Present law authorizes an income and corporation franchise tax credit for ad valorem taxes paid without protest on vessels in Outer Continental Shelf Lands Act Waters which have been certified by the taxpayer to the assessor as being principally located in such areas within the calendar year immediately preceding the taxable year of assessment of the vessel.

Proposed law changes present law by removing the restriction on eligibility for the credit for taxes which have been paid under protest.

Proposed law adds requirements concerning taxpayer notification to the Dept. of Revenue that they have paid ad valorem taxes under protest, which include the submission of copies of the payment under protest notice and the lawsuit that was filed. If the taxpayer prevails in the suit against the political subdivision, the amount of the credit issued under proposed law for ad valorem taxes paid by the taxpayer that are determined by the court to not be due to the political subdivision shall be subject to recapture by the department as provided in present law.

Applicable to corporation income tax periods beginning on and after January 1, 2017, and corporation franchise tax periods beginning on and after January 1, 2018.

Effective July 1, 2017.

(Amends R.S. 47:6006.1(A), (D)(2), and (F))

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Add a requirement for taxpayer notice to the Dept. of Revenue if they pay ad valorem taxes under protest.

2. Add authorization for recapture by the Dept. of Revenue of amounts paid in tax credits if the taxpayer prevails in their lawsuit for taxes paid under protest.