

2025 Regular Session

HOUSE BILL NO. 383

BY REPRESENTATIVE BRASS

TAX CREDITS: Postpones the termination of a tax credit for C-corporations for local inventory taxes paid but reduces the amount of the credit for those taxpayers

1 AN ACT

2 To amend and reenact R.S. 47:6006(A)(3), relative to income tax; to provide with respect
3 to tax credits; to provide for the claiming of the tax credit by certain filers for local
4 inventory taxes paid; to extend the period in which certain corporate taxpayers may
5 claim the credit; to provide for credit amounts available to those taxpayers; to
6 provide for termination of the credit for those filers; to provide for applicability; to
7 provide for effectiveness; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:6006(A)(3) is hereby amended and reenacted to read as follows:

10 §6006. Tax credits for local inventory taxes paid

11 A.

12 * * *

13 (3)(a) Notwithstanding the provisions of Paragraphs (1) and (2) of this
14 Subsection, and subject to the reductions provided for in Subparagraph (b) of this
15 Paragraph, no credit shall be allowed for ~~taxpayers~~ any taxpayer taxed as a
16 C-corporation for federal income tax purposes for taxable periods beginning on or
17 after July 1, ~~2026~~ 2036. However, any such taxpayer may carry forward any
18 remaining credits for an additional five years from the date that the credits would
19 have expired under the provisions of this Section. This additional carry forward
20 period shall not apply to any credits for which the carry forward period expired prior

1 to January 1, 2025. For taxable periods beginning on or after January 1, 2025, credit
2 amounts earned by taxpayers taxed as a C-corporation for federal income tax
3 purposes that exceed the taxpayer's tax liability shall not be eligible for refund and
4 may only be used as a credit against subsequent Louisiana corporation income tax
5 liability.

6 (b) For taxable periods beginning on or after July 1, 2028, the amount of the
7 credit for a taxpayer taxed as a C-corporation for federal income tax purposes shall
8 be reduced as follows:

9 (i) For taxable periods beginning on or after July 1, 2028, and ending before
10 July 1, 2030, twenty percent.

11 (ii) For taxable periods beginning on or after July 1, 2030, and ending before
12 July 1, 2032, forty percent.

13 (iii) For taxable periods beginning on or after July 1, 2032, and ending
14 before July 1, 2034, sixty percent.

15 (iv) For taxable periods beginning on or after July 1, 2034, and ending before
16 July 1, 2036, eighty percent.

17 * * *

18 Section 2. The provisions of this Act shall apply to taxable periods beginning on or
19 after January 1, 2026.

20 Section 3. This Act shall become effective on January 1, 2026.

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 383 Original

2025 Regular Session

Brass

Abstract: Extends the period for which C-corporation tax filers can claim a tax credit for local inventory taxes paid to June 30, 2036, but reduces the credit amount for those filers by 20% every two years before eliminating the credit in 2036.

Present law establishes an income tax credit for ad valorem taxes paid to political subdivisions on inventory held by manufacturers, distributors, and retailers, referred to hereafter as local inventory taxes paid.

Present law provides that no credit for local inventory taxes paid shall be allowed to C-corporations for taxable periods beginning on or after July 1, 2026. Proposed law changes this sunset date for the tax credit for C-corporations to July 1, 2036.

Proposed law provides that for taxable periods beginning on or after July 1, 2028, the credit for a C-corporation shall be reduced by 20% every two years until the credit sunsets on July 1, 2036.

Proposed law applies to taxable periods beginning on or after Jan. 1, 2026.

Effective January 1, 2026.

(Amends R.S. 47:6006(A)(3))