

Regular Session, 2011

HOUSE BILL NO. 614

BY REPRESENTATIVE RICHARD

TAX CREDITS: Provides relative to the tax credit for overpayments made by certain taxpayers under the Inventory Tax Credit

1 AN ACT

2 To amend and reenact R.S. 47:6028, relative to tax credits; to provide for a refundable  
3 income and corporate franchise tax credit for certain overpayments related to the  
4 inventory tax credit; to delete certain requirements and limitations; to provide for an  
5 effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:6028 is hereby amended and reenacted to read as follows:

8 §6028. Tax credit for certain overpayments

9 A.(1) ~~There shall be a credit against any Louisiana income or corporation~~  
10 ~~franchise tax for the amount of any overpayment made by a taxpayer with gross~~  
11 ~~receipts from business of five hundred thousand dollars or less as a result of failing~~  
12 ~~to claim any inventory tax credit provided for in R.S. 47:6006 for each tax year from~~  
13 ~~1999 through 2002 for income taxes, and for each tax year from 2000 through 2003~~  
14 ~~for corporation franchise taxes. The credit not previously claimed for these tax years~~  
15 ~~may be claimed on amended returns until December 31, 2007.~~

16 (2) ~~The credit shall be limited to ten thousand dollars per taxpayer and there~~  
17 ~~shall be no more than five hundred thousand dollars of total credits granted.~~

18 (3) ~~The secretary of the Department of Revenue may audit for the purpose~~  
19 ~~of determining the accuracy of and for offsetting the claim for the credit. There shall~~  
20 be a credit against any Louisiana income or corporation franchise tax for the amount

1        of any overpayment made as a result of failing to properly claim the inventory tax  
2        credit provided for in R.S. 47:6006 for taxes filed for the taxable year 1999 and  
3        thereafter.

4                B. Notwithstanding any other provision of law to the contrary, any excess  
5        of allowable credit established by this Section over the tax liabilities against which  
6        such credit can be applied, as provided in this Section, shall constitute an  
7        overpayment, as defined in R.S. 47:1621(A), and the secretary shall make a refund  
8        of such overpayment from the current collections of the taxes imposed by Chapter  
9        1 of Subtitle II of this Title, together with interest as provided for in R.S. 47:1624.

10       The right to a credit or refund of any such overpayment shall not be subject to the  
11       requirements of R.S. 47:1621(B).

12       Section 2. This Act shall become effective upon signature by the governor or, if not  
13       signed by the governor, upon expiration of the time for bills to become law without signature  
14       by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
15       vetoed by the governor and subsequently approved by the legislature, this Act shall become  
16       effective on the day following such approval.

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#### 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)]

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Richard

HB No. 614

**Abstract:** Deletes certain limitations from the tax credit for overpayments of the inventory tax.

Present law provides for a credit against income or corporate franchise tax for the amount of any overpayment made by a taxpayer with gross receipts from business of \$500,000 or less as a result of failing to claim the inventory tax credit provided for in present law for each tax year from 1999 through 2002 for income taxes and for each tax year from 2000 through 2003 for corporate franchise taxes. The credit not previously claimed for these tax years may be claimed on amended returns until Dec. 31, 2007.

Present law provides that the credit shall be limited to \$10,000 per taxpayer and there shall be no more than \$500,000 of total credits granted. Further authorizes the Dept. of Revenue to audit for the purpose of determining the accuracy of and for offsetting the claim for the credit.

Proposed law changes present law to provide for a credit against income or corporate franchise tax for the amount of any overpayment made as a result of failing to properly claim

the inventory tax credit provided for in present law for taxes filed for the taxable year 1999 and thereafter.

Present law authorizes a refund for any excess of allowable credit over the tax liabilities against which the credit can be applied.

Proposed law retains present law but provides that in addition, the taxpayer may receive a refund of interest.

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

(Amends R.S. 47:6028)