

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~~
21 ~~of any overpayment made as a result of failing to properly claim the inventory tax~~
22 ~~credit provided for in R.S. 47:6006 for taxes filed for taxable years 1999 through~~
23 ~~2003.~~

1 B. Notwithstanding any other provision of law to the contrary, any excess
2 of allowable credit established by this Section over the tax liabilities against which
3 such credit can be applied, as provided in this Section, shall constitute an
4 overpayment, as defined in R.S. 47:1621(A), and the secretary shall make a refund
5 of such overpayment from the current collections of the taxes imposed by Chapter
6 1 of Subtitle II of this Title; however, the refund shall bear no interest. The right to
7 a credit or refund of any such overpayment shall not be subject to the requirements
8 of R.S. 47:1621(B).

9 C. All claims for a tax credit pursuant to the provisions of this Section shall
10 be filed no later than December 31, 2011.

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

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)]

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 taxable years 1999 through 2003.

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 the refund for overpayment of the inventory tax shall bear no interest.

Proposed law provides that all claims for a tax credit pursuant to the provisions of proposed law shall be filed no later than Dec. 31, 2011.

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

(Amends R.S. 47:6028)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Changed the taxable years for which the inventory tax credit can be claimed from taxable years 1999 and thereafter to taxable years 1999 through 2003.
2. Deleted provision that a taxpayer shall receive interest on refunds for overpayment of the inventory tax. Further provides interest shall not accrue on refunds for overpayment of inventory tax.
3. Added provisions that all claims for a tax credit pursuant to the provisions of proposed law shall be filed no later than Dec. 31, 2011.