

Regular Session, 2011

HOUSE BILL NO. 614

BY REPRESENTATIVE RICHARD

VETOED
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Veto Message

AN ACT

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

Be it enacted by the Legislature of Louisiana:

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

§6028. Tax credit for certain overpayments

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

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

~~(3) The secretary of the Department of Revenue may audit for the purpose of determining the accuracy of and for offsetting the claim for the credit. There shall be a credit against any Louisiana income or corporation franchise tax for the amount of any overpayment made as a result of failing to properly claim the inventory tax credit provided for in R.S. 47:6006 for taxes filed for taxable years 1999 through 2003.~~

B. Notwithstanding any other provision of law to the contrary, any excess of allowable credit established by this Section over the tax liabilities against which

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

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

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

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____

VETO MESSAGE

House Bill No. 614 by Representative Richard expands an exemption made for taxpayers who neglected to claim the state inventory tax credit.

Under current law, businesses which did not claim the inventory tax credit were able to claim a tax credit for overpayments made if the business had gross receipts of \$500 thousand or less, filed the credit for income tax years 1999-2002 or franchise tax years 2000-2003, and amended the returns in question by 2007. This credit for overpayments was capped at \$10 thousand per taxpayer and at \$500 thousand total.

House Bill No. 614 removes all of these restrictions and replaces it with a retroactive benefit. I question that this is the best use of state taxpayer dollars.

It is important that we protect scarce resources for priorities like healthcare and higher education. For this reason, I have vetoed House Bill No. 614 and hereby return it to the House.