HLS 15RS-1226 ORIGINAL

2015 Regular Session

HOUSE BILL NO. 441

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BY REPRESENTATIVE LEGER

TAX CREDITS: Provides for the carryforward rather than the refund of the tax credit for ad valorem taxes paid on inventory

AN ACT

2 To amend and reenact R.S. 47:6006(A) and (B), relative to income and corporation franchise 3 tax credits; to provide with respect to the tax credit for ad valorem taxes paid on 4 inventory; to provide with respect to authorization for issuance of refunds for tax credits which exceed taxpayer tax liability; to provide for certain limitations; to 5 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(A) and (B) are hereby amended and reenacted to read as 9 follows: 10 §6006. Tax credits for local inventory taxes paid 11 A.(1) There shall be allowed a credit against any Louisiana income or 12 corporation franchise tax for ad valorem taxes paid to political subdivisions on 13 inventory held by manufacturers, distributors, and retailers and. 14 (2) There shall be allowed a credit against Louisiana income or corporation 15 franchise tax on natural gas held, used, or consumed in providing natural gas storage 16 services or operating natural gas storage facilities. 17 B. Credit for taxes paid by corporations shall be applied to state corporate income and corporation franchise taxes. Credit for taxes paid by unincorporated 18 19 persons shall be applied to state personal income taxes. If the amount of the credit 20 authorized pursuant to Paragraph (1) of Subsection A exceeds the amount of tax

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

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liability for the tax year, then any unused credit may be carried forward as a credit against subsequent Louisiana income or corporation franchise tax liability for a period not to exceed five years. The taxpayer shall be entitled to a refund for any allowable credit authorized pursuant to Paragraph (2) of Subsection A which exceeds the aggregate tax liability of the taxpayer for the taxes imposed by Chapter 1 and Chapter 5 of Subtitle II of this Title. The secretary shall make such refund to the taxpayer in the amount to which he is entitled from the current collections of the taxes collected pursuant to Chapter 1 and Chapter 5 of such Subtitle II.

* * *

Section 2. The provisions of this Act shall be applicable to tax years beginning on or after January 1, 2015.

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 441 Original

2015 Regular Session

Leger

Abstract: Changes the tax credit for ad valorem taxes paid on inventory <u>from</u> a refundable credit <u>to</u> a credit in which amounts of the credit above the tax liability may be carried forward and applied against subsequent tax liability for up to five years.

<u>Present law</u> provides for an income or corporation franchise tax credit for ad valorem taxes paid to political subdivisions on inventory held by manufacturers, distributors, and retailers and on natural gas held or consumed in providing natural gas storage services or operating natural gas storage facilities. The amount of the credit shall be equal to 100% of the taxes paid to political subdivisions.

<u>Present law</u> provides that the taxpayer is entitled to a refund for any allowable credit which exceeds the aggregate tax liability of the taxpayer. Further requires the Dept. of Revenue to refund the excess tax credit amount to the taxpayer from current tax collections.

<u>Proposed law</u> changes the tax credit as it relates to ad valorem taxes paid for inventory held by manufacturers, distributors, and retailers <u>from</u> a refundable credit <u>to</u> one in which credit amounts which exceed taxpayer liability may be carried forward against subsequent income or corporation franchise tax liability for up to five years.

Applicable to tax years beginning on or after Jan. 1, 2015.

(Amends R.S. 47:6006(A) and (B))