

CONFERENCE COMMITTEE REPORT

SB 15

2016 First Extraordinary Session

Morrell

March 9, 2016

To the Honorable President and Members of the Senate and to the Honorable Speaker and Members of the House of Representatives.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning Senate Bill No. 15 by Senator Morrell, recommend the following concerning the Reengrossed bill:

1. That the House Floor Amendments proposed by Representative Stokes and adopted by the House of Representatives on March 8, 2016, designated as HFASB15 416 727 be adopted.
2. That the House Floor Amendments proposed by Representative Stokes and adopted by the House of Representatives on March 8, 2016, designated as HFASB15 2991 734 be rejected.
3. That the House Committee Amendments proposed by the Committee on Ways and Means and adopted by the House of Representatives on March 4, 2016, designated as HCASB15 2991 711 be rejected.

Respectfully submitted,

Senators:

Representatives:

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Senator Jean-Paul J. Morrell

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Representative Julie Stokes

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Senator Dale Erdey

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Representative Neil Abramson

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Senator Eddie J. Lambert

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Representative Jim Morris

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The legislative instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Margaret M. Corley.

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## CONFERENCE COMMITTEE REPORT DIGEST

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### Keyword and summary of the bill as proposed by the Conference Committee

Provides relative to the application of refundable tax credits. (Item #26)(gov sig)  
(RE1 +\$1,100,000 GF RV See Note)

### Report adopts House amendments to:

1. Provides for claiming tax credits for local inventory taxes paid.

### Report rejects House amendments which would have:

1. Stipulates that to claim a credit as reflected in the Tax Credit Registry it must be done on or before the date of the return inclusive of any extension.
2. Adds provisions for the transferability of research and development tax credits.

### Digest of the bill as proposed by the Conference Committee

Present law provides for the ordering of nonrefundable tax credits, refundable tax credits, and payments.

Proposed law retains present law.

Present law provides that refundable credits shall be applied after all nonrefundable credits.

Proposed law changes the ordering of the application of tax credits and requires these refundable credits be applied before all other credits and payments of tax except for nonrefundable credits with no carry forward which will be applied first and then refundable credits other than those for local inventory taxes paid. Provides a different priority for refundable tax credits for local inventory taxes paid.

Proposed law requires that refundable credits, other than credits for local inventory taxes paid, that can be applied against both income and corporate franchise tax, be applied to income tax first.

Present law provides certain requirements on transferable income or corporation franchise tax credits.

Proposed law retains present law but adds the following additional requirements:

- (1) A tax credit cannot be claimed on a tax return or utilized as a payment prior to the effective date of transfer as reflected in the Tax Credit Registry, between the transferor and transferee.
- (2) To claim a credit on a tax return, the effective date of transfer, as reflected in the Tax Credit Registry must be on or before the due date of the return, inclusive of any extension.
- (3) A credit acquired through transfer can be applied to any allowable tax liability that is due for the year the credit was originally earned or to any year due afterward until the applicable carryforward period is over.

Applicable to taxable periods beginning on or after January 1, 2016.

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

(Amends R.S. 47:1675(B); adds R.S. 47:1675(H)(1)(d), (e), (f), and (g))