
DIGEST

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HB 425 Reengrossed

2017 Regular Session

Magee

Abstract: Removes the prohibition on eligibility for the tax credit for ad valorem taxes paid with respect to vessels in Outer Continental Shelf Lands Act Waters in instances where taxes were paid under protest.

Present law authorizes an income and corporation franchise tax credit for ad valorem taxes paid without protest on vessels in Outer Continental Shelf Lands Act Waters which have been certified by the taxpayer to the assessor as being principally located in such areas within the calendar year immediately preceding the taxable year of assessment of the vessel.

Proposed law changes present law by removing the restriction on eligibility for the credit for taxes which have been paid under protest.

Proposed law adds requirements concerning taxpayer notification to the Dept. of Revenue that they have paid ad valorem taxes under protest, which include the submission of copies of the payment under protest notice and the lawsuit that was filed. If the taxpayer prevails in the suit against the political subdivision, the amount of the credit issued under proposed law for ad valorem taxes paid by the taxpayer that are determined by the court to not be due to the political subdivision shall be subject to recapture by the department as provided in present law.

Applicable to corporation income tax periods beginning on and after January 1, 2017, and corporation franchise tax periods beginning on and after January 1, 2018.

Effective July 1, 2017.

(Amends R.S. 47:6006.1(A), (D)(2), and (F))

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Add a requirement for taxpayer notice to the Dept. of Revenue if they pay ad valorem taxes under protest.
2. Add authorization for recapture by the Dept. of Revenue of amounts paid in tax credits if the taxpayer prevails in their lawsuit for taxes paid under protest.

