

GREEN SHEET REDIGEST

HB 425

2017 Regular Session

Magee

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

TAX CREDITS: Removes the restriction against taxes paid under protest concerning claims for the ad valorem tax credit for certain offshore vessels

DIGEST

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. Requires the notice to the department be made within five business days of the filing of the lawsuit. 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.

Proposed law requires the taxpayer to notify the Dept. of Revenue when the judgment is final and provides that the department has two years to recapture the credit after receiving notice of a final judgment.

Present law provides for judicial interest plus three percent to be applied to tax underpayments and recapture of tax credits.

Proposed law allows the taxpayer who prevails in the suit against the political subdivision who is required to repay the tax credit previously granted to avoid the payment of interest if the taxpayer repays the department within 30 days of the final judgment.

Proposed law removes an expired reporting provision.

Proposed law provides that the taxpayer may not claim the credit if the protest relates to a challenge to the tax based on the Louisiana constitution.

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), (F), and (G))

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.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs
to the reengrossed bill

1. Add a requirement that the taxpayer notify the Dept. of Revenue of the finality of the judgment.
2. Add an exception to the application of underpayment interest if the taxpayer repays the credit within 30 days of the final judgment.
3. Limits the ability of the taxpayer to claim the credit if the protest relates to a challenge to the tax based on the Louisiana constitution.