

SENATE SUMMARY OF HOUSE AMENDMENTS

SB 6

2016 Second Extraordinary Session

Morrell

KEYWORD AND SUMMARY AS RETURNED TO THE SENATE

TAX/AD VALOREM. Provides for the carry forward rather than the refund of a certain portion of the tax credit for ad valorem taxes paid on inventory. (gov sig) (Item #47)

SUMMARY OF HOUSE AMENDMENTS TO THE SENATE BILL

1. Error in Section reference of bill, intent was to change applicability to credits on returns file on or after July 1, 2016 regardless of taxable year to which the return relates.
2. Error in Section reference of bill, intent was to provide that bill not apply to amended returns filed on or after July 1, 2016 provided credits were properly claimed on the original return filed prior to July 1, 2016.

DIGEST OF THE SENATE BILL AS RETURNED TO THE SENATE

DIGEST

SB 6 Reengrossed

2016 Second Extraordinary Session

Morrell

Present law provides for a tax credit against income and corporation franchise tax for 100% of the ad valorem tax paid to political subdivisions on certain inventory.

Present law provides for full refundability of ad valorem taxes paid, for taxpayers whose total payments of ad valorem tax eligible for the credit is less than \$10,000.

Proposed law retains these provisions but increases the amount to be refunded from less than \$10,000 to less than \$500,000

Present law authorizes refundability for 75% of the tax credit for ad valorem tax paid on inventory for taxpayers whose total payments of ad valorem tax eligible for the credit is \$10,000 or more and provides for a nonrefundable credit for the remaining 25% of the credit that is in excess of the taxpayer's tax liability.

Proposed law provides that if the ad valorem tax paid is more than \$500,000 but less than or equal to \$1,000,000, then the taxpayer is to be refunded 75% of the excess credit and the remaining 25% may be carried forward as a credit against subsequent tax liability for a five-year carry forward.

Proposed law provides that for those taxpayers whose total payments of ad valorem tax eligible for the credit is \$1,000,000 or more, then the taxpayer is to be refunded 100% of the first \$500,000 of excess credit and 75% of the next \$500,000 of excess credit, and the remaining amount of the credit shall be carried forward as a credit against subsequent tax liability for a five-year carry forward.

Error in Section reference of bill, intent is to apply proposed law to all claims for credits on any return filed on or after July 1, 2016 regardless of the taxable year to which the return relates. Provides that proposed law is not to apply to an amended return filed on or after July 1, 2016 provided the credits were properly claimed on an original return filed prior to July 1, 2016.

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

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

Thomas L. Tyler
Deputy Chief of Staff