

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 425** HLS 17RS 843

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action: **w/ SEN COMM AMD**

Proposed Amd.:

Sub. Bill For.:

Date: May 23, 2017	3:13 PM	Author: MAGEE
Dept./Agy.: Revenue		Analyst: Greg Albrecht
Subject: Tax Credit for Ad Valorem Taxes On Offshore Vessels		

TAX CREDITS RE1 SEE FISC NOTE See Note Page 1 of 1
Removes the restriction against taxes paid under protest concerning claims for the ad valorem tax credit for certain offshore vessels

Present law provides a state tax credit for local ad valorem taxes paid without protest on offshore vessels.

Proposed law removes the condition that the local taxes be paid without protest in order for the state tax credit to be allowed. Provides that the Dept. of Revenue can recapture credits received if the taxpayer prevails in the suit against the local subdivision, and the court determines the disputed ad valorem taxes paid are not due. No interest will be due on recaptured amounts if the entire balance due is paid within thirty days of final judgment. Taxes paid under protest based on applicability of state constitutional provisions are ineligible for the inventory credit.

Effective July 1, 2017, and applicable for taxable periods beginning on and after that date.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

According to the Dept. of Revenue, discussions with the assessor of Lafourche Parish and the collector of Cameron Parish indicate that payments under protest have essentially ceased and disputes have largely been settled. The Dept. does not expect the bill to result in a material change to state tax credit claims or payments. Should there be payments under protest in the future, those payments would be eligible for state tax credit even though local governments will have had to escrow the ad valorem tax payments. However, the bill provides that the Dept. of Revenue can recapture credits received if the taxpayer prevails in the suit against the local subdivision, and the court determines the disputed ad valorem taxes paid are not due.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

John D. Carpenter
Legislative Fiscal Officer