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The original instrument was prepared by Leonore Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by Curry J. Lann.

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DIGEST

SB 1 Engrossed

2020 Second Extraordinary Session

Ward

Present law provides an income and franchise tax credit for local ad valorem taxes on inventory paid by manufacturers and retailers.

Present law authorizes a full refund of the credit for ad valorem taxes on inventory paid for certain small businesses, a refund of 75% of the taxes paid when ad valorem taxes are \$1 million or less, and a nonrefundable income and franchise tax credit for the remainder of ad valorem taxes paid.

Present law provides that the nonrefundable portion of the tax credit may be carried forward for a maximum of five years.

Proposed law changes the five-year carryforward period and allows taxpayers to carry forward the tax credit for 10 years.

Effective January 1, 2021.

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

Summary of Amendments Adopted by Senate

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

1. Changes the carryforward period to 10 years.
2. Applies the provisions of the Act to ad valorem taxes paid on or after January 1, 2020.
3. Makes technical changes.