

2020 Second Extraordinary Session

SENATE BILL NO. 62

BY SENATOR SMITH AND REPRESENTATIVE GREGORY MILLER

TAX/AD VALOREM. Provides for the refundable portion of the inventory tax credit for certain manufacturers impacted by the 2020 emergencies and disasters. (gov sig) (Item #26)

1 AN ACT

2 To enact R.S. 47:6006(G), relative to tax credits; to provide for refunds of the ad valorem  
3 taxes paid on inventory for certain taxpayers impacted by the 2020 emergency and  
4 disasters; to provide for an effective date; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:6006(G) is hereby enacted to read as follows:

7 §6006. Tax credits for local inventory taxes paid

8 \* \* \*

9 **G.(1) Notwithstanding the provisions of Subparagraphs (B)(1)(b) and**  
10 **(B)(3)(c) of this Section, for ad valorem taxes on inventory paid for tax year**  
11 **2020, taxpayers whose ad valorem taxes eligible for the credit authorized**  
12 **pursuant to this Section paid to all political subdivisions in the taxable year was**  
13 **less than or equal to one million dollars shall be refunded all of the excess credit.**

14 **(2) The provisions of this Subsection shall apply only to taxpayers that**  
15 **employed a minimum of one hundred full-time employees for whom**  
16 **withholding tax was remitted to the Department of Revenue for each of the first**  
17 **three quarters of calendar year 2020.**

1                   **(3) The provisions of this Subsection shall not apply to manufacturers as**  
 2                   **defined in Subparagraph (C)(3)(b) of this Section.**

3                   Section 2. This Act shall become effective upon signature by the governor or, if not  
 4                   signed by the governor, upon expiration of the time for bills to become law without signature  
 5                   by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
 6                   vetoed by the governor and subsequently approved by the legislature, this Act shall become  
 7                   effective on the day following such approval.

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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 62 Engrossed

2020 Second Extraordinary Session

Smith

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.

Proposed law authorizes a full refund of the credit for ad valorem taxes on inventory paid for tax year 2020 by taxpayers if the total ad valorem taxes the taxpayer paid to all local taxing authorities is \$1 million or less and the taxpayer employed a minimum of 100 full-time employees.

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

(Adds R.S. 47:6006(G))

Summary of Amendments Adopted by Senate

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

1. Requires taxpayers to employ a minimum of 100 full-time employees to receive a full refund of the tax credit.
2. Makes technical changes.