

GREEN SHEET REDIGEST

HB 383

2025 Regular Session

Brass

**TAX CREDITS: Postpones the termination of a tax credit for C-corporations for local inventory taxes paid but reduces the amount of the credit for those taxpayers**

DIGEST

Present law establishes an income tax credit for ad valorem taxes paid to political subdivisions on inventory held by manufacturers, distributors, and retailers, referred to hereafter as local inventory taxes paid.

Present law provides that no credit for local inventory taxes paid shall be allowed to C-corporations for taxable periods beginning on or after July 1, 2026. Proposed law changes this termination date for the tax credit for C-corporations to July 1, 2027.

Proposed law provides that for taxable periods beginning on or after July 1, 2026, and before July 1, 2027, the credit for a C-corporation for local inventory taxes paid shall be reduced by 50%.

Proposed law applies to taxable periods beginning on or after Jan. 1, 2026.

Effective Jan. 1, 2026.

(Amends R.S. 47:6006(A)(3))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Change the termination date provided in proposed law for the inventory tax credit for C-corporations from July 1, 2036, to July 1, 2028.
2. Change the schedule of rate reductions provided for in proposed law.

Summary of Amendments Adopted by Senate

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

1. Change the termination date provided in proposed law for the inventory tax credit for C-corporations from July 1, 2028, to July 1, 2027.
2. Remove the percentage deduction for taxable periods beginning on or after July 1, 2027.