2015 Regular Session

HOUSE BILL NO. 442

BY REPRESENTATIVE LEGER

TAX CREDITS: Provides for the carry forward rather than the refund of the tax credit for ad valorem property taxes paid by telephone companies on certain property

AN ACT

To amend and reenact R.S. 47:6014(D) and (E)(2), relative to income and corporation franchise tax credits; to provide with respect to the tax credit for ad valorem taxes paid on certain properties owned by telephone companies; to provide with respect to authorization for issuance of refunds for tax credits which exceed taxpayer tax liability; to provide for certain limitations; to provide for effectiveness; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:6014(D) and (E)(2) are hereby amended and reenacted to read as follows:

§6014. Credit for property taxes paid by certain telephone companies; fund

* * *

D. ~~The excess, if any, of the credit allowed by this Section over the aggregate tax liabilities against which such allowable credit may be applied, as provided in this Section, shall constitute an overpayment, as defined in R.S. 47:1621(A), and the secretary shall make a refund of such overpayment from the current collections of the taxes imposed under Chapter 2 of Subtitle II of this Title, together with interest as provided in R.S. 47:1624. The right to a refund of any such overpayment shall not be subject to the requirements of R.S. 47:1621(B). Any such refund, together with interest thereon, shall be paid by the secretary within ninety~~

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~~days of receipt by the secretary of the return on which the credit allowed by this Section is claimed. Failure of the secretary to pay such refund, in whole or in part, shall entitle the aggrieved taxpayer to proceed with the remedies provided in R.S. 47:1625.~~ If the amount of the credit exceeds the amount of tax liability for the tax year, then any unused credit may be carried forward as a credit against subsequent Louisiana income or corporation franchise tax liability for a period not to exceed five years.

E.

* * *

(2) The monies in the fund shall be used solely and exclusively for the purpose of providing funds to pay the credits ~~or refunds~~ as provided in this Section. The treasurer shall annually transfer to the state general fund an amount equal to the credits taken ~~and refunds issued~~ pursuant to this Section.

* * *

Section 2. The provisions of this Act shall be applicable to tax years beginning on or after January 1, 2015.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 442 Original 2015 Regular Session Leger

Abstract: Changes the tax credit for ad valorem tax paid on public service property owned by telephone companies from a refundable credit to a credit in which amounts of the credit above the tax liability may be carried forward and applied against subsequent tax liability for up to five years.

Present law provides for an income or corporation franchise tax credit for ad valorem taxes paid to political subdivisions after Dec. 31, 2000, by a telephone company for public service property owned by the telephone company which is assessed by the La. Tax Commission at 25% of fair market value pursuant to present law. The amount of the credit shall be equal to 40% of the taxes paid to political subdivisions.

Present law provides that the taxpayer is entitled to a refund for any allowable credit which exceeds the aggregate tax liability of the taxpayer. Further requires the Dept. of Revenue to refund the excess tax credit amount and interest to the taxpayer from current tax collections within 90 days of receiving a tax credit claim.

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Proposed law changes the tax credit from a refundable credit to one in which credit amounts which exceed taxpayer liability may be carried forward against subsequent income or corporation franchise tax liability for up to five years. Proposed law deletes the requirement of paying refunds within 90 days of receiving a tax credit claim.

Present law requires the avails of sales and use taxes collected on the furnishing of interstate and international telecommunication services to be deposited into the Telephone Company Property Assessment Relief Fund for payment of credits and refunds as provided for in present law.

Proposed law retains present law but deletes references to the payment of refunds.

Applicable to tax years beginning on or after Jan. 1, 2015.

(Amends R.S. 47:6014(D) and (E)(2))

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